Ronald Reagan: In His Own Words

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Exclusive interview with Governor Schwarzenegger

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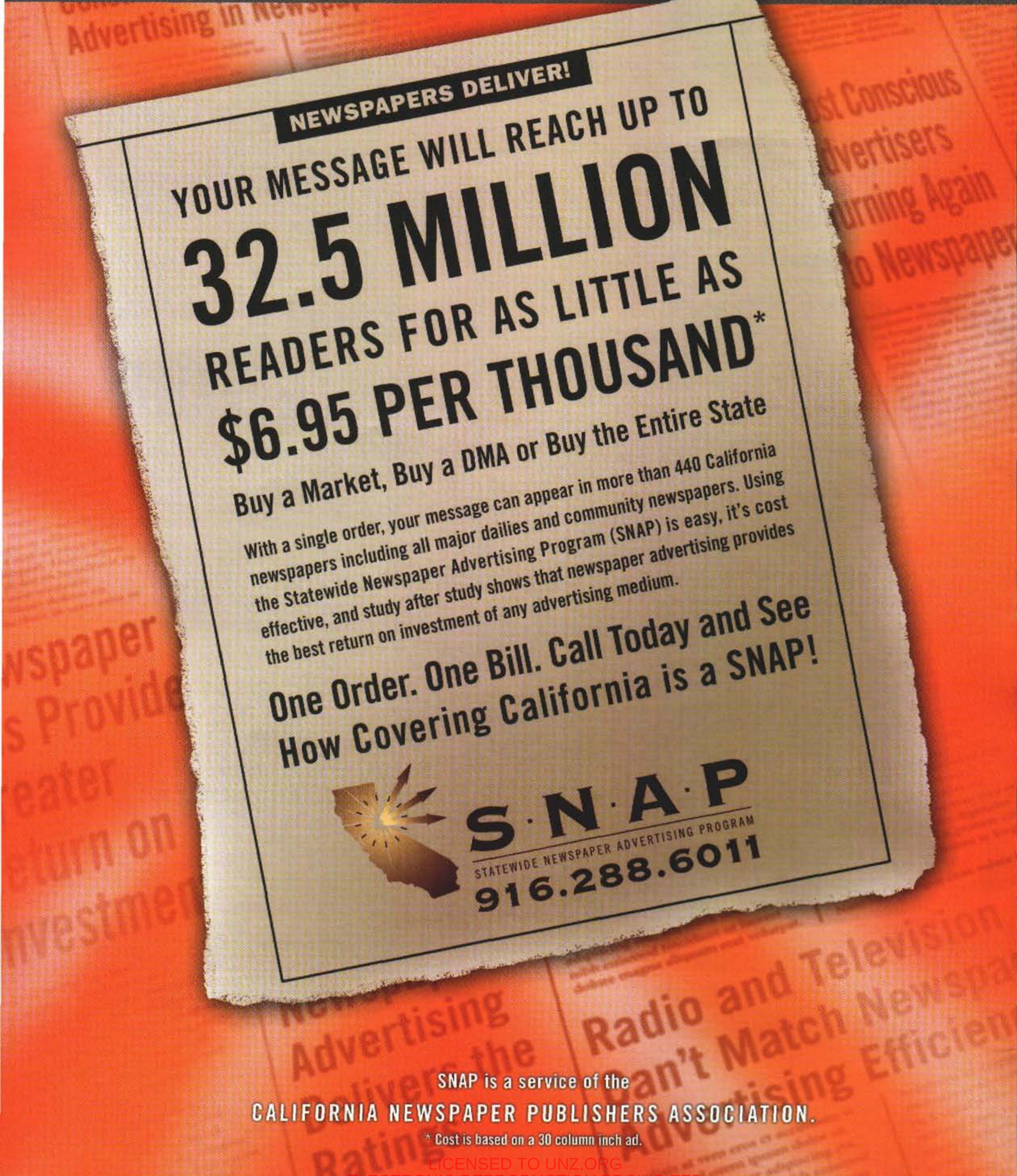
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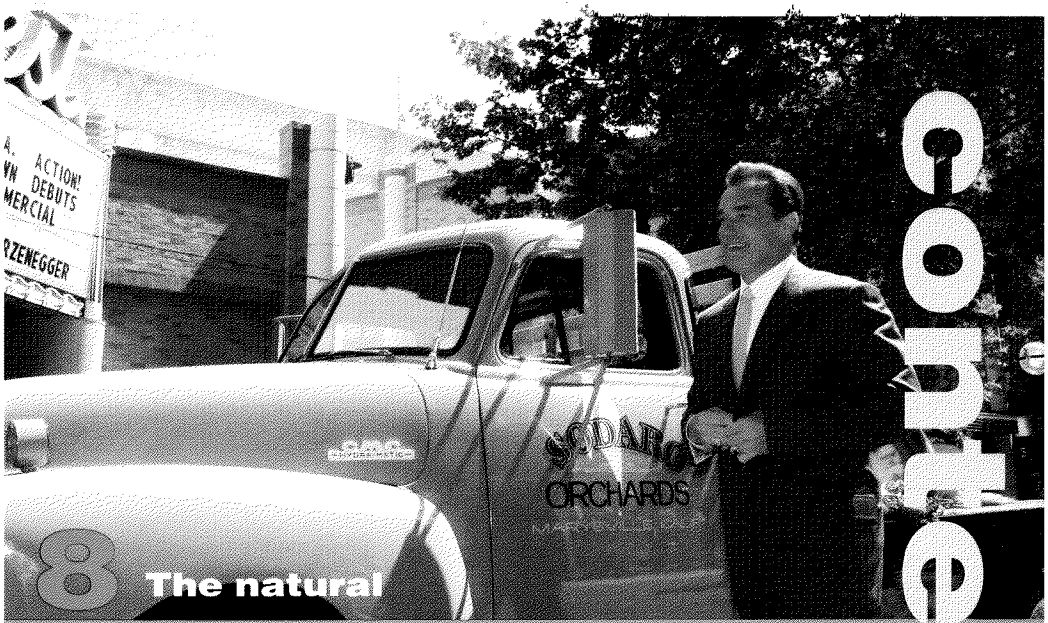
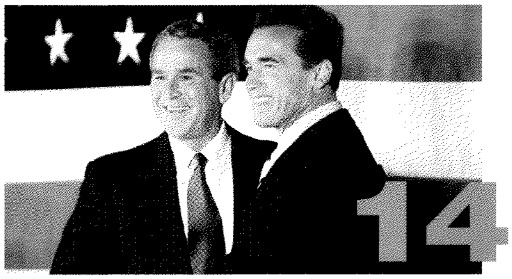


8 The natural

After nearly eight months in office, Gov. Arnold Schwarzenegger has displayed notable leadership skills but also a penchant for postponing the hard decisions.
By Lou Cannon



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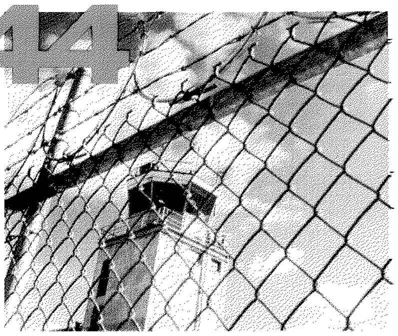

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Orange County has finally resolved the fight over what to do with the former El Toro Marine Base. Now, plans are afoot to create a world-class urban park.
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The American River Parkway in Sacramento draws thousands to its trails and bikeways. But like other parks statewide, it's struggling to survive. **By Stephanie Chandler**

from the editor

Arnold, Ron — and Lou

A. G. Block

Journalist Lou Cannon has been associated with *California Journal* since its inception in January 1970, when he wrote the magazine's first "Letter from Washington" — a precursor to "D.C. Perspective." Over the years, Mr. Cannon has written numerous essays, stories and columns for the *Journal*, most recently this month's cover story — an analysis of Gov. Arnold Schwarzenegger's first months in office. It is fitting that Cannon should turn his practiced eye on an actor-turned-politician, having covered the career of Ronald Reagan in California and in the White House. As the pre-eminent biographer of Reagan, who died last month at 93, Cannon was a frequent commentator on national TV and in print during the former president's week-long memorial services. Recently, Cannon and *Journal* editors conducted a revealing Q&A with Gov. Schwarzenegger, which also appears in this issue.

Cover photo: Governor Arnold Schwarzenegger in his Los Angeles office. Courtesy of the Governor's Office.

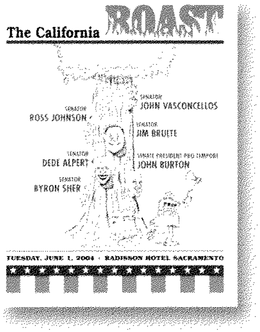
umbrage

Still in the saddle.

They're both California actors with airports named after them. Ironically, in the same week that proposals were circulating to rename everything from the Pentagon to the $10 bill in memory of Ronald Reagan, an Orange County Supervisor floated the reverse idea: take John Wayne's name *off* the county's airport. Instead, Supervisor Chris Norby suggested the airport be re-named "The O.C.", after the sexy nighttime soap opera on Fox TV. Norby figured it was time to cash in on the show's popularity and give the county a more hip, marketable image, according to the *Los Angeles Times*. But after telephone and email complaints started pouring into his office, Norby pulled the plug on his idea, saying it was a trial balloon that "crashed and burned." After 25 years on the airport's marquee, "The Duke" stays. No word yet on whether Alexander Hamilton will stick it out on the $10 bill.

Roast à la Arnold.

The barbs and banter can be sophomoric, but the annual California Roast always draws a crowd. Rarely, however, does it draw TV cameras. Until this year, when word went out that the governor would make a cameo appearance to toast this year's roastees. The event, which raises funds for The California Center and its Capitol Focus program, saluted six of the Capitol's longest-serving, most venerable — and term-limited — state senators: Deirdre Alpert (D-San Diego), Jim Brulte (R-Rancho Cucamonga), John Burton (D-San Francisco), Ross Johnson (R-Irvine), Byron Sher (D-Palo Alto) and John Vasconcellos (D-San Jose). The governor's brief appearance, in which he bantered and poked fun at each of the six, became one of those rare political moments where even Willie Brown, the evening's emcee, was upstaged. Referring to the stomach-stapled Brulte leaving the Legislature: "Let's be honest. Those are mighty big pants to fill." Regarding his coffee-making buddy Burton, the governor declared that calling him "crusty and grumpy is like calling Ted Kennedy 'full-figured.'" As for Burton's propensity for profanity, the governor mused, "Imagine if the state had a nickel for every time Burton cursed." On Sher's nickname as "the conscience of the Legislature," the governor deemed it "like being called the most sophisticated of The Three Stooges." And Johnson, according to the governor, was so old that he still referred to Iraq "as Mesopotamia."



Schwarzenegger even brought his own props. Noting Alpert's efforts to legalize pet ferrets, the governor commented that he'd been around lots of ferrets while on the movie set of "Kindergarten Cop" and even took some home after filming ended. Reaching under the podium, he pulled out his gift to Alpert: a pair of cowboy boots — fur-covered, presumably ferret.

In seriousness, he noted his father-in-law Sargent Shriver's admonition that there's no higher calling in life than being a civil servant and said of the Senate's six departing veterans: "I will miss them dearly."

When the governor finally exited through the hotel's kitchen doors, Brown could only respond: "Not bad at all, for a rookie."

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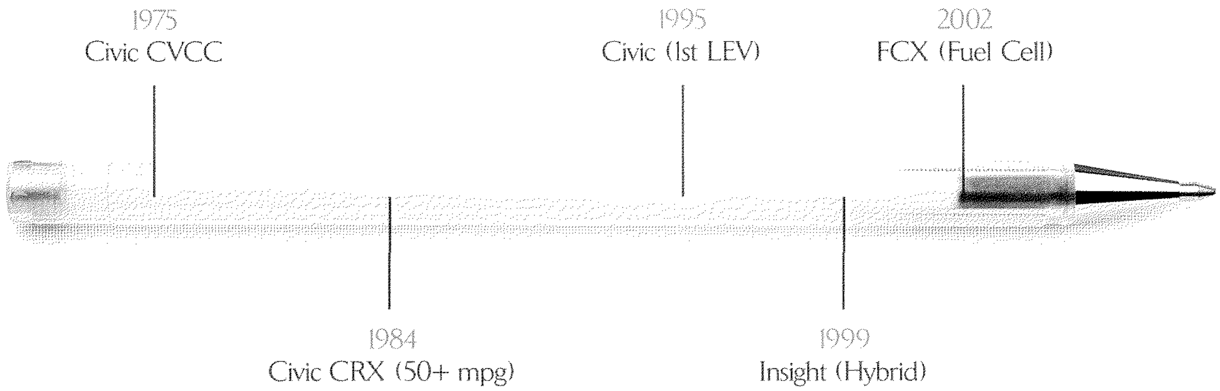
We keep on giving those historians something to write about.



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Votes:

Chasing women

Single women are in demand, no surprise there, except that this election season, it's the politicians who are doing the wooing, not the boyfriends. With single women now deemed a bigger potential voting bloc than soccer Moms and NASCAR Dads, political parties on both sides are courting them — in some not-so-traditional ways.

At a "Women's Voices, Women's Vote" gathering in San Francisco last May, activists urged single women to register to vote, handing out brightly-hued nail files with the slogan, "Don't let this election be a nail biter." Another group, dedicated to ousting President George W. Bush in November, "1,000 Flowers," is distributing "beauty kits" to nail and hair salons that include a Democratic health care message and voter registration packets. A Republican group, The California Women's Leadership Association, is targeting younger women at party events. And onetime gubernatorial candidate Arianna Huffington, pledging to remain single until Nov. 2, is urging fellow Democrats to hustle young women voters with a "visionary agenda that appeals to their idealism and better instincts."

Meanwhile, some women are beating around the bush, so to speak. The Axis of Eve (www.axisofeve.org) is a loose-knit group of feminists and anti-war activists who flash their panties at political rallies around the country. Not just any panties, but anti-Bush undies emblazoned with such sayings as "Lick Bush," "Drill Bush, Not Oil," "Weapon of Mass Seduction," and "Give Bush the Finger." Maybe men flashing their jock straps are next.

Environment:

Treed Willow

Photo: Anna Purna

Seven months ago, a man named Willow, 20, scaled a 1,000-year-old redwood in the rain-kissed hills near Eureka. He's still there, and he's not coming down from his 150-foot high perch until Pacific Lumber Co. changes its ways.

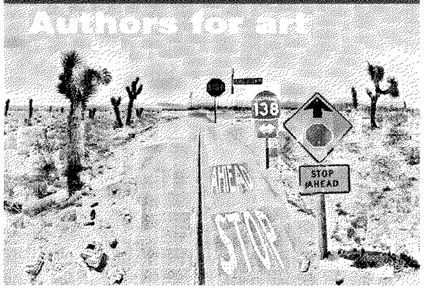
Willow is braving the elements, loneliness and injury to protest old-growth logging on PalCo's 200,000-plus acres. Willow, not his true name, lives on an eight-foot-wide wooden platform that surrounds the tree like a collar. Food and water are provided by friends. Timber protests may heat up this summer if the state, as expected, eases logging rules.

Willow says he's ready, noting that he is fulfilled by tree sitting, as was his predecessor Julia "Butterfly" Hill.

"I was fed up with the whole monetary system and I left it to devote myself to spiritual service in the earth world," he said.

Books:

Authors for art



From poets to political columnists, 27 California authors have donated their prose to promote the arts. "My California: Journeys by Great Writers" is a collection of eclectic travel stories designed to pump up the deflated budget of the California Arts Council. The writing, printing, publishing — even the cover art by noted California artist David Hockney — are all donated. Book events run through this summer. For more info, visit www.mycaliforniaproject.org

Quotables.....

"Why are we here again? Are we that much smarter than the ones who launched the debacle?"

— Mike Florio, senior staff attorney with The Utility Reform Network in San Francisco, speaking at a recent state Public Utilities Commission hearing, exactly 10 years after the disastrous deregulation plan was first launched.

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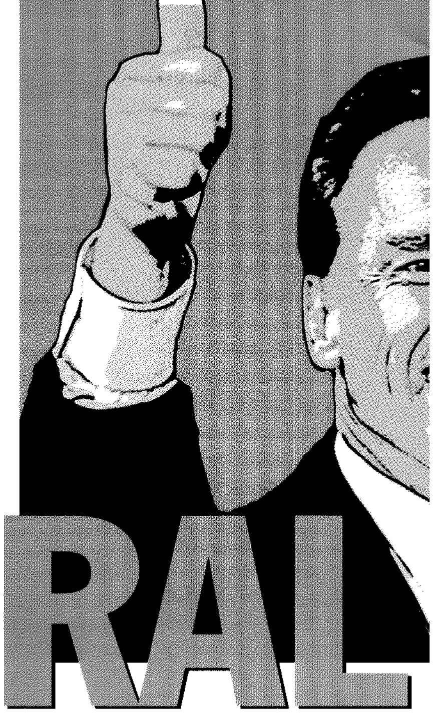
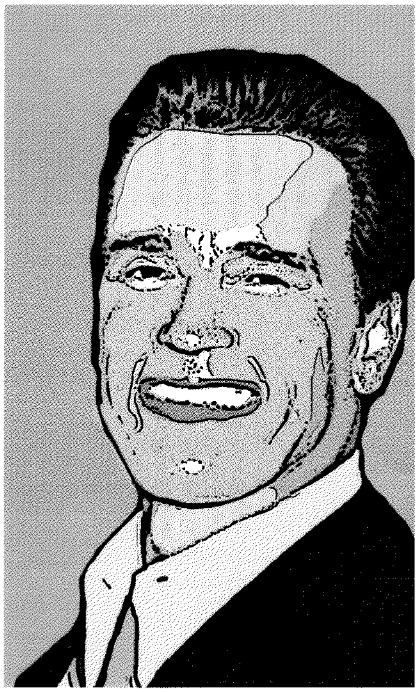
In office just eight months, Arnold Schwarzenegger has taken Sacramento by storm, displaying what one Capitol insider calls unparalleled "gut instincts" as governor. While postponing the hard decisions, his bipartisan popularity is soaring.



THE NATURAL

By Lou Cannon



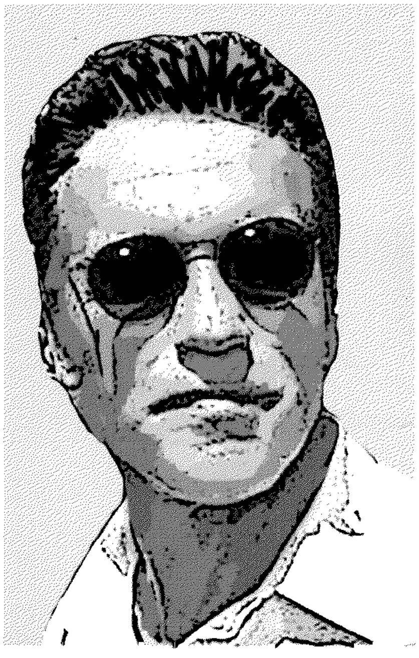
Arnold Schwarzenegger, the 38th governor of California, is a dreamer, a bodybuilder, a movie action-hero, a competitor and a gifted politician. He has taken Sacramento by storm. In less than eight months in office, he has persuaded voters to pass a $15 billion bond issue to refinance the state's debt, co-opted the Democratic-controlled Legislature, reformed a troubled workers' compensation system, cut side deals with educators, unions and Native American tribes and dazzled even Californians who disagree with him.

A recent Field Poll offers this snapshot: Schwarzenegger has majority approval among Republicans, Democrats and independents. His overall approval rating of 65 percent (with only 23 percent disapproving) is higher than Field Poll ratings for governors Gray Davis, Pete Wilson, Ronald Reagan or Pat Brown. In contrast, the Legislature in the same poll receives an approval rating of 27 percent. Another recent poll by the Public Policy Institute of California (PPIC) gives the governor an even higher rating — 69 percent — among likely voters.

Like Reagan, the actor-turned-politician to whom he is most often compared, Schwarzenegger is a celebrity who became governor without a day of governmental experience. But unlike Reagan, who was initially uncomfortable in Sacramento, Schwarzenegger has forged friendships with legislators, most notably John Burton, the acerbic and progressive Senate Democratic leader who had an awesome contempt for Davis. The governor calls the Senate leader "my buddy," while Burton appreciates Schwarzenegger as a person and a politician.

"Arnold's a negotiator," Burton said in an interview. "He negotiated all these movie deals. He's more engaged than Gray, and he's not as stubborn as Pete."

The odd-couple relationship between Schwarzenegger and Burton is framed by political necessity. With the Democrats in uncontested



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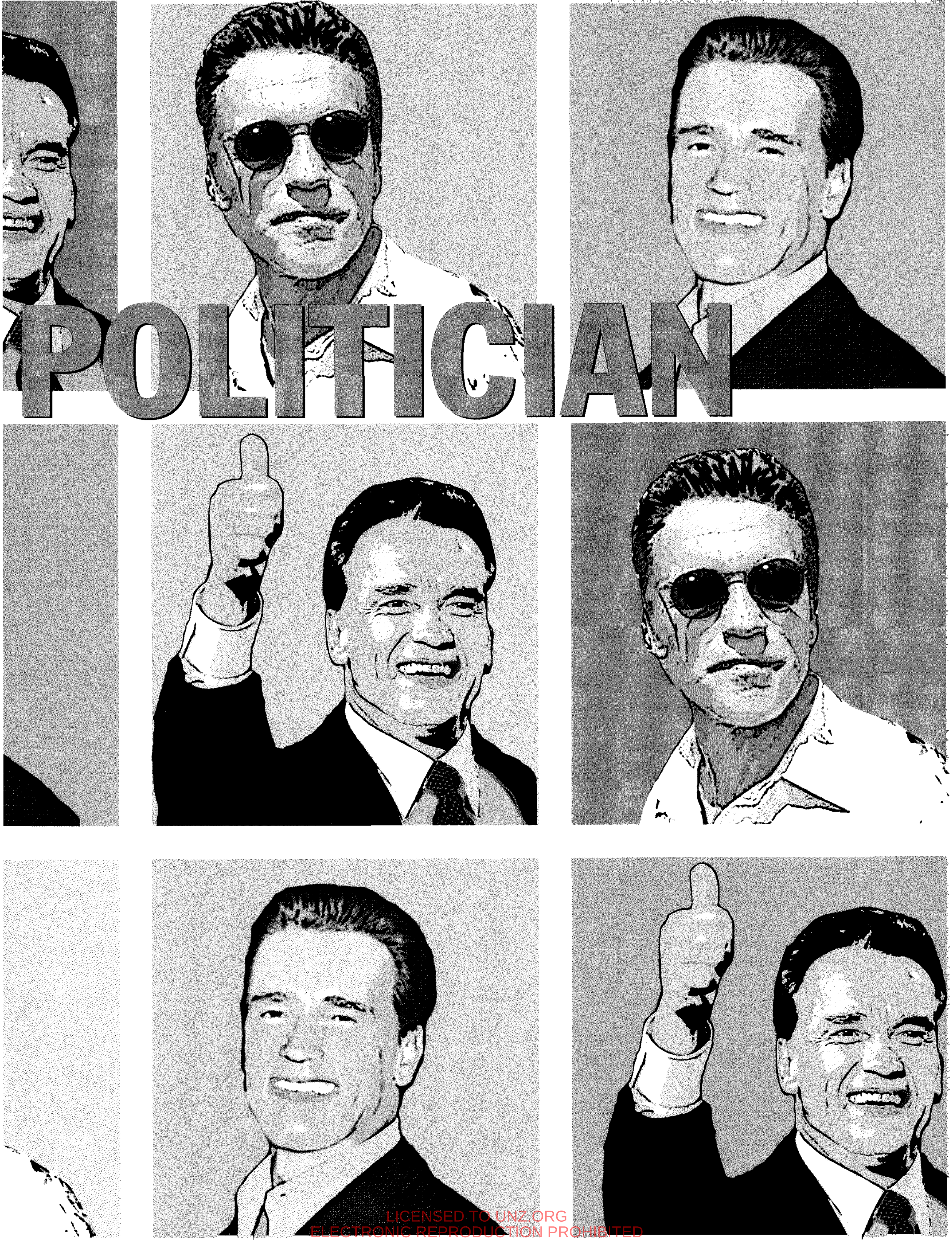

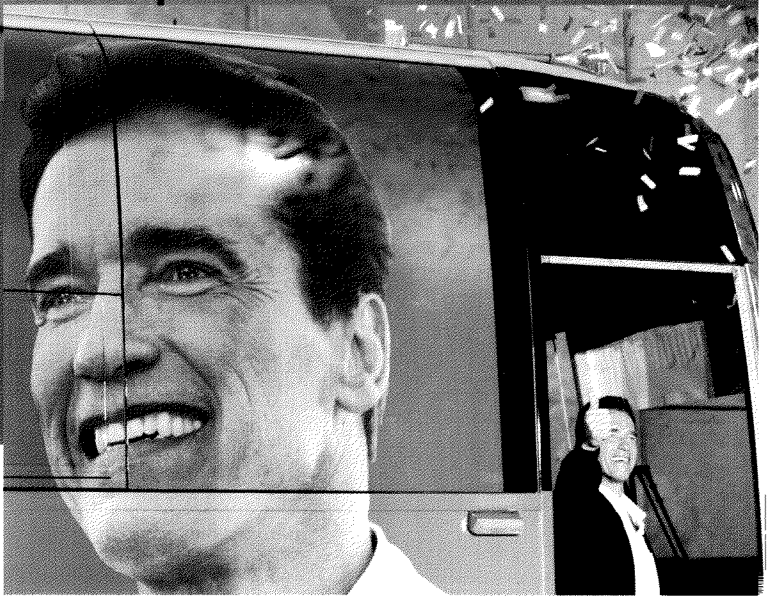

Above: Arnold Schwarzenegger announces his candidacy for governor on the Jay Leno TV talk show. Photo: Fred Pouser, Reuters, 8/6/03. Right: Arnold's campaign bus. Photo: Robert Gailbraith, Reuters, 10/23/03.

control of the Legislature, Schwarzenegger faced a choice of trying to govern through the initiative process or of co-opting the opposition. The first option might have continued the gridlock that candidate Schwarzenegger had promised to end. The cooperative course enabled the gregarious Schwarzenegger to use the power of his personality on celebrity-struck legislators. It also appealed to legislators, many of whom recognized that they could become as vulnerable as Davis to the voters' wrath if they were perceived as obstructionists.

Schwarzenegger's strategy fits his optimistic temperament. He likes politics, and he likes people.

"Arnold's a natural," said state Senator Dede Alpert (D-San Diego), a moderate member of her caucus. "It's like he has been in politics all his life. Gray, who was in politics all his life, didn't have these skills."

Because Schwarzenegger has those skills, he doesn't see his job as a burden. When former Secretary of State George Shultz, whose wife, Charlotte Mailliard Shultz, is the governor's protocol chief, paid a visit, Schwarzenegger reportedly told him, "You never told me this job was going to be so much fun!"

In general, Schwarzenegger's emergence also has made life fun for moderate Republicans, a political species previously on the endangered list in California. Schwarzenegger has not converted conservatives to his tolerant positions on abortion rights and gay rights, but those issues are no longer the damaging litmus tests they used to be within the California Republican Party. Schwarzenegger's popularity also has limited the fallout to Republicans caused by voter disenchantment with President Bush. Schwarzenegger has coolly kept his distance from the president, whose operatives did little to help him win the recall election last October. Because of his marriage to Democrat Maria Shriver and his admiration for her parents, Sargent and Eunice Shriver, Schwarzenegger has been called a "Kennedy Republican." He doesn't seem to mind the characterization.

Little left to chance

As a political operator, Schwarzenegger has left little to chance. From the moment he surprised aides and friends by declaring his candidacy on "The Tonight Show with Jay Leno" the Schwarzenegger operation has resembled a Hollywood mega-production replete with photo opportunities, celebrity interviews and elaborately orchestrated campaign stunts, such as the destruction of an automobile to demonstrate his opposition to the state's unpopular car tax.

Governor Schwarzenegger taking the oath of office. Photo: Courtesy of the Governor's Office, 11/17/04

Schwarzenegger's campaign speechwriter, Landon Parvin, recalls that at the first campaign event in Huntington Beach, "people shook Arnold's hand, then ran ahead in the crowd to shake it again or touch him." Parvin, a White House speechwriter for President Reagan, was amazed. Hecklers were drowned out by surfers yelling, "Arnold, Arnold." It was, said Parvin, "like a scene from a movie."

The show has never stopped. Schwarzenegger won in a landslide, rolled back the car tax on his first day as governor and has dominated the California political scene ever since. "California was ready for an interesting governor after three governors in a row who had other virtues but were pretty drab," said Phil Isenberg, a former Democratic legislator who in 1991 helped Republican Governor Wilson and Assembly Speaker Willie Brown (D-San Francisco) broker a significant budget compromise.

Schwarzenegger, an Austrian immigrant, sees his personal success as ratification of the American dream. He has fed public interest at every turn of his career with shrewd publicity and, forsaking the mock humility of some celebrities, a candid declaration of ambition.

"I was always dreaming about very powerful people, dictators and things like that," Schwarzenegger said in his 1977 documentary, "Pumping Iron." "I was always impressed by people who could be remembered for hundreds of years or like Jesus for thousands of years."

Reagan, who yearned for dramatic movie roles but often performed best in lighter parts, was usually cast, as Garry Wills put it, in the "heartwarming role" of himself. Schwarzenegger's most successful role, in the popular "Terminator" movies, is as a robot sent back from the future to save humanity. He loved the role and sometimes talks as if his present job is a seamless extension of his bodybuilding and movie careers. Over the years, he told *California Journal*, he learned that it was "much fun" to do things for others.

"I found great joy for many years doing things for myself, stand in front of the mirror and flexing, and this is me," Schwarzenegger said. "But, you know, like my father-in-law said, 'Tear down the mirror.'"

He went on to quote from a speech that Sargent Shriver gave at Yale University in which he urged students to look beyond the mirrors in which they see themselves and realize "how many millions of people out there need your help."

Schwarzenegger, with an undoubting optimism that is a match for Reagan's, has no doubt he can help these millions.

"I was ready for this," he told *California Journal* with evident pride. "Would I have been ready for it 20 years ago? No, I was too selfish at the time, still thinking about how can I get rich, how can I build a career, how can I become the action star, how can I look studly on the screen." Now, says Schwarzenegger, he reads his briefing papers while doing his morning life-cycle exercises and takes "great satisfaction" in bringing people together.

The Burton factor

Burton, a frequent visitor to the governor's corner office, battles Schwarzenegger over proposed budget reductions for education and welfare but doesn't think the governor enjoys cutting spending. "It's too bad that California is out of money," Burton told me. "Arnold would be willing to spend it on kids and social programs." Burton, who campaigned for Shriver when he was the Democratic vice-presidential nominee in 1972, also credits the Shrivers for being a progressive influence. Last December a call from Burton to Maria Shriver was credited with prompting Schwarzenegger to restore a cut in programs for the developmentally disabled.

Figuring out who benefits most from the Schwarzenegger-Burton relationship has become a favorite Sacramento parlor game. On the surface it seems no contest, for the governor has received the Democratic votes he needs on everything from the March bond issue to the workers' comp bill. But a closer look suggests the Democrats have also had their gains. The bond issue was considerably more limited than Schwarzenegger's original proposal. A companion measure approved by voters established a partial spending cap but was along the lines advocated by the Democratic leadership in the Assembly. (The original plan, says Burton, was a "straitjacket.") The May budget revisions restored many of Schwarzenegger's original cuts in welfare and other items.

Governor Schwarzenegger with Senate leaders John Burton (right) and Jlm Brulte (left) at the signing of the governor's fiscal recovery package last December. Photo: Steve Yeater, AP

In the process of these negotiations, the Republican legislative minority has seemed almost irrelevant. But Schwarzenegger has been as canny in his dealings with Republicans as he has been with Democrats. "He realizes, and so do we, that we have no place else to go," said a leading Republican, speaking on condition of anonymity.

There is a more tangible reason that even conservatives such as Tom McClintock of Thousand Oaks, an opponent of Schwarzenegger in the recall election, have embraced their moderate governor. The reason is money. Schwarzenegger raised $300,000 on May 27 at a McClintock fundraiser in Santa Barbara, four times more than McClintock ever received at a single event in 22 years of elected politics. Overall, Schwarzenegger has raised $18 million for GOP candidates since taking office, by far the best showing for a California Republican since Reagan.

Schwarzenegger's star power has enabled him to keep Republicans happy while he remains selective about which Democratic toes to trample. In his interview with *California Journal,* the governor said that because of his "great relationships that we have built" in Sacramento he would be "much less" involved in this year's legislative elections than he had anticipated when elected. Even so, Republicans say that Schwarzenegger's selective involvement, especially in open districts, will help reduce Democratic legislative majorities, now 48-32 in the Assembly and 25-14 in the Senate.

Schwarzenegger also has pleased Republicans on the issue that matters most to them: opposition to any tax increases. Despite warnings from Legislative Analyst Elizabeth Hill and others that the state budget is structurally unbalanced and will require new revenues, Schwarzenegger has chosen to kick the can down the road with a series of one-time fixes and borrowings.

"When it comes to the budget, he is essentially doing what Gray Davis did," said Isenberg, who blames both parties for lacking fiscal discipline.

It is on taxes that Schwarzenegger differs most notably from Reagan and Wilson, the two Republican governors of the second half of the 20th century who inherited serious deficits. Reagan decided in his first week as governor in 1967 that a tax increase was necessary. He agreed to a $1 billion tax increase ($5.5 billion in today's dollars) that was at the time a record for any state. Wilson, in a political environment that was more hostile to tax hikes, dared to propose them in 1991 when the California economy was hard hit by the collapse of the aerospace industry. He faced a $14 billion deficit that in comparative terms is much larger than the one Schwarzenegger inherited from Davis. Republican conservatives denounced Wilson for the tax increases while Democrats assailed him for the accompanying budget cuts. But history has been kind to Reagan and Wilson for their political courage in facing economic reality.

Will history speak as well of Governor Schwarzenegger? This may depend on whether he is willing to risk his popularity to accomplish fundamental change. The influential magazine *The Economist* in two articles on Schwarzenegger called upon him for a "leap of the imagination" in the form of a ballot package that would reform the state's fractured fiscal system. It quoted Wilson as saying: "Arnold, you have huge political capital. Use it

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Governor Schwarzenegger arrives in a farm truck at the Crest Theater in Sacramento for the premiere of a new TV ad promoting "California-grown products." Photo: Courtesy of the Governor's Office, 5/20/04

to fix what is wrong and you will acquire more. If you don't use it, it will evaporate."

Former Wilson aides have staffed the Schwarzenegger administration, but there is no sign that the present governor is prepared to risk his popularity by acting as boldly as Reagan and Wilson did. Schwarzenegger has been popular ever since he broke through as a body builder at the age of 27. He has never known the rejection that came to Reagan when his movie career collapsed and he was forced to accept a demeaning role in a Las Vegas nightclub act nor the disappointment that Wilson experienced when he finished fourth in a GOP gubernatorial primary in 1978. Schwarzenegger, it might be said, is addicted to success.

And he has been successful so long at so many things that it would be a mistake to underrate him. Bob White, a lobbyist who was Wilson's longtime chief of staff and an early supporter of Schwarzenegger, says the governor has "the best gut instincts" of any politician he's ever known and monumental leadership skills. This view is widely shared by those, including Burton, who have dealt with Schwarzenegger at close quarters.

Where this leader is taking California, however, isn't clear. Schwarzenegger has restored a civil tone and a welcome spirit of bipartisanship in Sacramento. But in their avoidance of fiscal pain, a PPIC survey recently observed, both Schwarzenegger and the Legislature reflect the attitudes of Californians who want to maintain a high level of expensive social services but are unwilling to pay for them with tax increases. On these issues, and many others, this gifted politician of a governor is postponing the hard decisions and, for the present at least, giving Californians what they want.

Contributing Editor Lou Cannon was White House correspondent for The Washington Post *during the Nixon and Reagan presidencies. He is author of eight books, including the recently published "Governor Reagan: His Rise to Power." Send comments to* **comments@californiajournal.org.**

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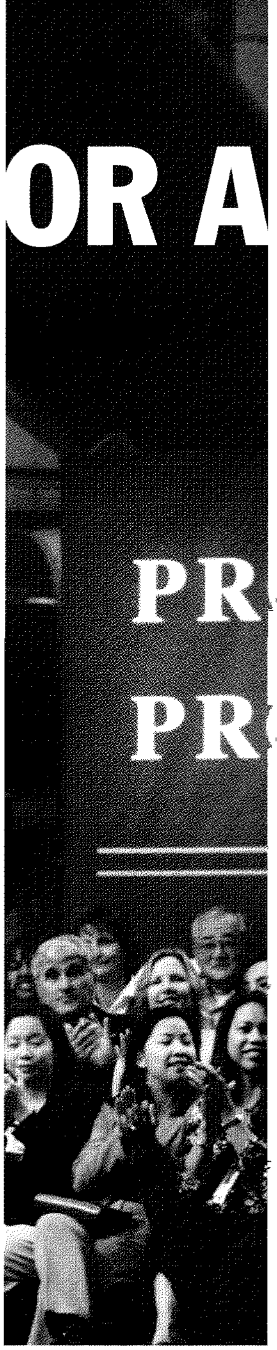
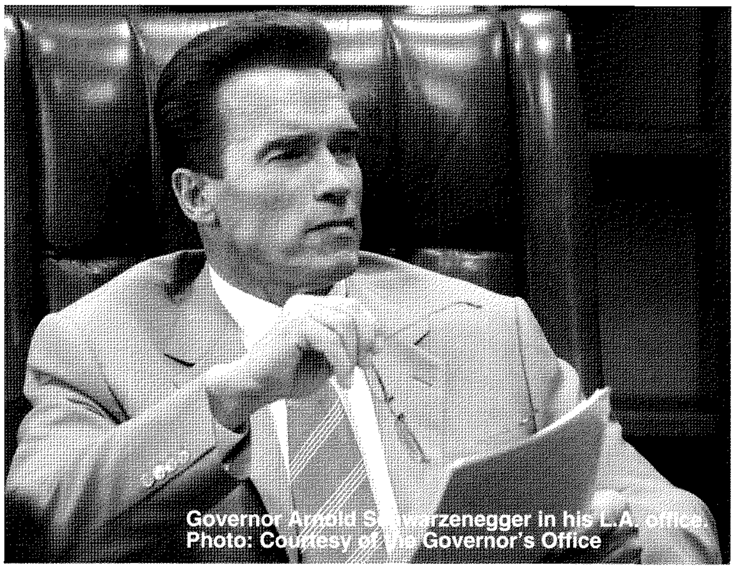
A Q&A WITH GOVERNOR A



Since his inauguration last November, media access to Governor Arnold Schwarzenegger has become a precious commodity among Capitol-based journalists, especially print reporters.

On May 19, Schwarzenegger sat down for a lengthy interview with *California Journal* editors Lou Cannon, John Howard and A.G. Block. The governor talked about his potential role in the 2004 presidential campaign, his quest for a part-time Legislature and how he works to bring Republicans and Democrats together. What follows are excerpts from that interview. A complete transcript is available on the *Journal's* Web site at www.californiajournal.org.


Governor Arnold Schwarzenegger in his L.A. office.
Photo: Courtesy of the Governor's Office

California Journal: A recent issue of The Economist *gave you high marks for what you've done so far. It went on to say that fundamental structural reforms are needed to keep California state government from getting into a recurring mess and suggests basic changes in tax structure. Do you agree with the idea that some long-term structural reform is needed? And if so, could you give us some hints to what you have in mind?*

Governor Arnold Schwarzenegger: First of all, we have made a lot of reforms already by passing the balanced budget initiative, which will help us so that in the future legislators don't ... spend more money than we actually have. That has been the basic problem in our state that, consistently, year after year, they've seen it coming that the revenues went down, that the high-tech boom was over, but the spending continued.

RNOLD SCHWARZENEGGER

OMISE MADE.
OMISE KEPT.

Governor Schwarzenegger addressing the crowd before signing the workers' compensation bill at a Boeing manufacturing facility in Long Beach. Photo: Courtesy of the Governor's Office, 4/16/04

So we cannot do that. And it goes back to the old story that you have to first count the money that you have — and that's the way I was brought up — count the money that you have, and then ... promise that money and the revenues that you expect to bring in, rather than ... promise people all kinds of things, all with good intentions, may I remind you, and a lot of programs do need help and need additional funding. But I cannot spend what I do not have. And so therefore, when you continue spending, people say, structurally there is something wrong; I think we should raise taxes.

No, that's going backwards. First, let's go to the people and say, 'Here is a new idea.' We want to build roads or we want to build schools, we want to put out a bond ... for some billion dollars.

If there is a specific idea that we have — the governor, legislators — we can go to the people and say, 'We want to create huge infrastructures on our freeways, highways, transportation, the ports and all those things, but ... there will be a necessity of increasing taxes, are you for that?' Then, you let the people decide.

But, to first spend the money and then go back and say, 'Oops, we've spent the money.' We don't want to do that. So ... together with the Democrats and the Republican legislators ... we brought down the spending, made cuts — and at the same time we had an increase in revenues, luckily, in the last year, and also some of the money we will borrow.

So the idea is let's keep now discipline. Let's wait for the revenues to come back and then pay off some of the bond money and also put some money into the rainy day fund. That's exactly where we are: We have no problems with any structure of any sort.

CJ: When you were campaigning, you said accurately that Californians pay much more in federal tax dollars than they get back from the federal government. One way to change the state's share would be to increase income taxes on the wealthiest Californians. It's my understanding this wouldn't increase the overall tax burden very much because you can deduct state taxes from federal taxes. But it would mean more money for the state. Have you given any thought to that?

Governor: When you're in my position, you have to think about ... all the possibilities, how to get more revenues and how can we cut certain spending, how do we come up with new ideas of creating revenues. That's what we do in this very room — sit with all the geniuses and debate those issues. And I have the best team together that you can think of, including the legislative leaders.

Let's Bring
California Back
www.joinArnold.com

Campaigning for governor, Arnold Schwarzenegger conducts a town hall meeting in Clovis. Photo: Robert Galbraith, Reuters, 9/29/03

> **"I can think anything I want, but I don't want to send the message I'm for taxes. ...that's not the direction that I want to go."**

But, in the end, I shy away from that simply because I think anyone that has been in business realizes that — first you have to spend the money in order to write it off. We have to take first the money from someone [who] has to put out the money and give it to us so they can write it off next year on a tax return.

So, it will discourage certain people from staying here because we are taxing them again. It will make people move out of the state. It will not really produce the results we want. At the same time, it is better if they keep the money and spend the money and we get it then because the revenues go up. We believe very strongly that our way of getting more revenues is not by going after the tax money but by stimulating the economy and by inspiring the people that have the millions of dollars and the billions of dollars to reinvest, to expand their companies, make it a business-friendly environment so that they all are inspired to go into business here rather than taking the businesses outside the state... Then we are all booming, and everyone is benefiting from it, and we can afford the programs that need money.

CJ: You said something a moment ago that I want to make sure I understand. In terms of raising taxes in the future, your notion seems to be that if there are specific projects and the tax money can be earmarked, that you are not averse to going to the public to raise taxes. Am I correct in that interpretation?

Governor: No. It is much better if you just write 'Schwarzenegger is against taxes' ... because I don't want you to write that. I can think anything I want, but I don't want to send the message I'm for taxes. ...that's not the direction that I want to go. And so with the hypothetical questions, I usually don't deal with, because what does it mean? We can be talking from here to eternity about what would I do next year, when in fact next year's economy may be booming and we don't have to do any of that. If I'm in a hole, and it's a disastrous situation and we can't work our way out of it, then I have to look at that. But these are all hypothetical things.

This year I was very fortunate that I could keep my promise [not to raise taxes], and next year, the way it looks right now, I will be very fortunate to be able to keep my promise.

CJ: I know you don't like hypothetical questions, and I can understand that.

ARNOLD
ARNOLD

Arnold Schwarzenegger basking in the limelight at the end of his campaign bus tour. Robert Galbraith, Reuters, 10/03

Governor: That's not true. We don't mind hypothetical questions, nor do we mind answering hypothetical questions. But, we mind the way they are coming out in print. We don't want to make that go in the wrong direction, too, because I'm very firm about that.

I have to do certain things in order to keep things straight and to keep my leadership going in a certain direction and meet a certain philosophy. But I cannot answer the hypothetical question, because it will be misinterpreted for some people.

So I want to deal with what's going on right now. I am, and always have been, a person that thinks immediately, right now, and then I have a long-term vision for everything.

With my career in body building, when I saw myself as the finished product on the stage winning the World Championships in the Mr. Universe contest, or when I got into acting when everyone said that it would never happen, you can never make it in action movies because no Austrian with a German accent ever made it here in America. And I had a very clear vision. I saw myself up there where Clint Eastwood was and all those characters. And I did it.

So there's a longtime vision, and when I see this vision very clearly, I know we can turn that vision into reality, because I have faith in my visions. But everything else after that is hypothetical.

CJ: John Burton, who you have worked with, by all accounts, very successfully — including his own ...

Governor: My buddy.

CJ: ... said, it's too bad that you're not governor when the state has a lot of money, because you would spend it on the kids. Was that true?

Governor: If the state had a lot of money, I would spend it on programs. I would keep some of the money for a rainy day fund, because I'm a big believer in the rainy day fund. Our problem has been, if you look at it, whenever you make decisions, you always have to look back over the last 20, 30 years, and you see it going [up], the revenues. But then [legislators] always get caught, because they lock in permanent spending in ongoing programs, so that keeps going [up]. You cannot take all those programs on a roller coaster ride all the time, because there are some people that rely on those programs.

And that's the dilemma we faced in the January 10th budget — we had to make those cuts ... This is why in our balanced budget initiative we negotiated a rainy day fund up to $8 billion to make sure that we have that buffer, so as soon as the economy goes down we can reduce maybe a little bit of the programs but have that money to supplement, to keep sustaining it until the wave comes back.

And hopefully some of the legislators upstairs will remember what happened this last time. Don't take a peak of a high-tech boom and say that this will be forever because any graph that goes up like this cannot continue... don't promise that money for ongoing programs. Maybe take it and say, we have this unexpected $5 billion, let's put it in transportation, let's put it in infrastructure, in one-time spending.

CJ: Assuming the Legislature buys that argument, after you've done that rainy day fund, was John Burton right in saying you'd spend it on kids?

Governor: Yeah, you can spend it on kids. No, I would actually do what I always do. I would get together legislative leaders, and I would say, 'Here, we will have an extra $5 billion.' My programs happen to be kids' programs that I love, after-school programs that we want to fund, more education, more physical education instructors.

I would talk to them about that, and I would say, 'What are your programs that you feel very passionate about?' And Burton would say health care for the poor, this and that. And so we would just divide up the pot and see that there is something in there for everyone. Because remember one thing: I don't run the state alone. I always want to look at it as a partnership. I want every one of them to tell me what their pet projects are and what they're really passionate about, and what their guys upstairs are passionate about, and then we do it together.

CJ: Given the success with your negotiations with the Legislature and your view of them as partners, are you serious about a part-time Legislature? If so, why is that a good thing?

Governor: Of course I'm serious about it. I think it is better if you have a partner in the Legislature. I think there is endless amount of bills that are created by legislators when they are not really fully occupied with working challenges and really serious challenges. And some of them are always occupied with serious challenges, especially the ones that are in charge of certain committees; they're working very hard. But there's others where it's better if they just go take care of business and then go back to work [in their district], whatever they do.

CJ: Have you discussed that idea with legislators?

Governor: No, because this is not something that I would tackle now because ... when I took over this office, we were in a state of emergency. So, what I have to do is write down the things that need to be done: giving back the $4 billion of the car tax increase; having a balanced budget initiative passed; the $15 billion bond or workers' compensation reform; getting a good budget going — those are the important things that are a priority.

Then when some of this is done, one of the next priorities is energy reform, because we don't want to get burned again. It happened once, and let's assume for argument's sake it was no one's fault. ... But if it happens a second time, then we are really stupid ... so we build more energy plants and more generators and more delivery systems. We could have, potentially, another energy crisis, so we want to be ahead of the ball game.

And then, of course, we see the prison problem. All of a sudden, we saw prison problems arising and just getting bigger and bigger. ...And so we want to reform that.

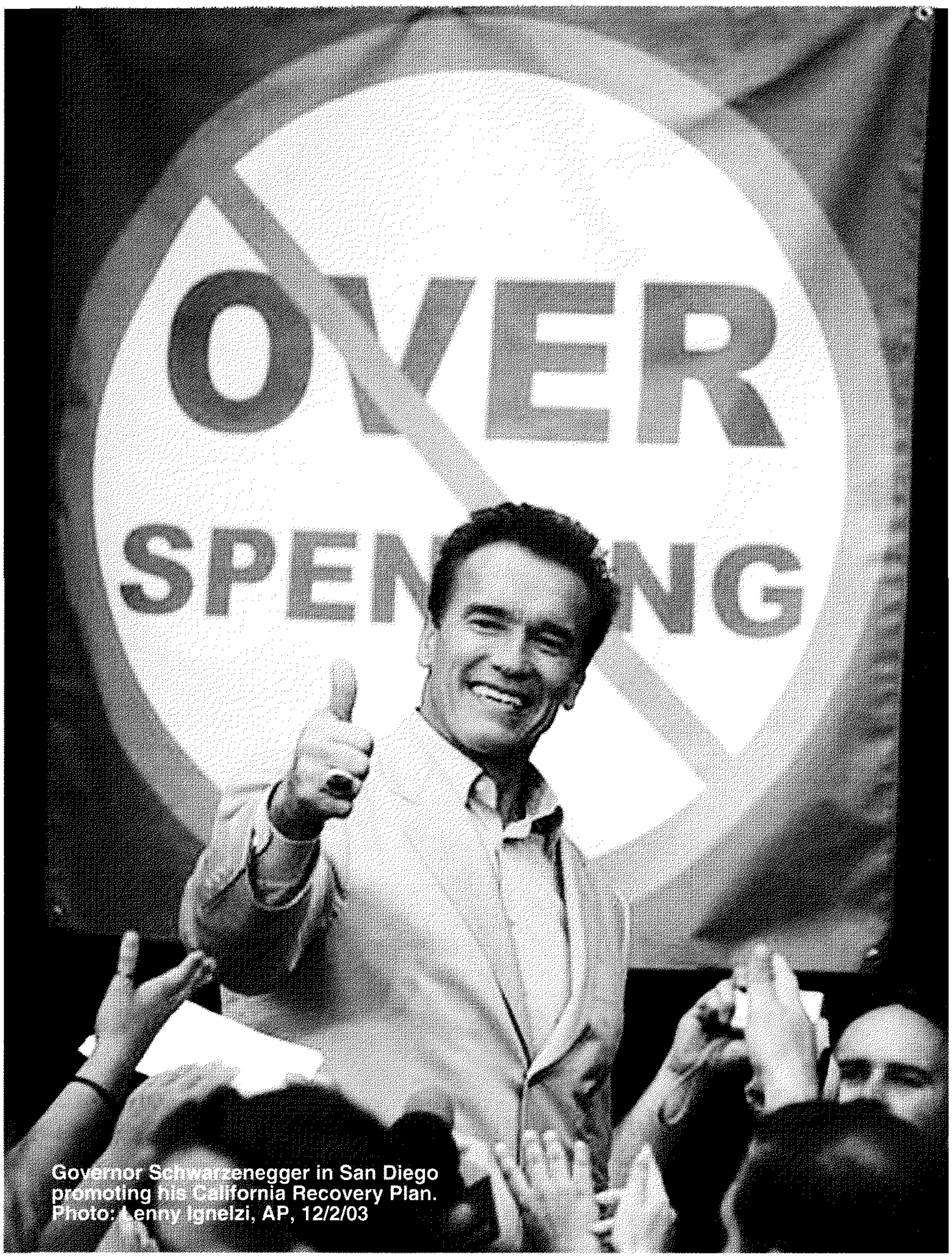
If there is a long-term drought, we want to take care of that, and we want to challenge the people to save water. ...Then we want to deal with the liquid natural gas, which is something that we've been battling over — where should we put the delivery for the liquid natural gas?

So we have to work through all this ... and then comes government reform, after that.

CJ: If you did pursue a part-time Legislature, the earliest you could do anything would be an initiative in 2006. You've just laid out a very ambitious program, and you will require the cooperation of what is a Democratic Legislature ...

Governor: Which is okay.

CJ: But you also are saying, 'I want them to be part



Governor Schwarzenegger in San Diego promoting his California Recovery Plan.
Photo: Lenny Ignelzi, AP, 12/2/03

Governor Schwarzenegger meets with students at a middle school in Sacramento. Photo Courtesy of the Governor's Office, 1/8/04

So people up here are doing now much more of what the people want them to do rather than what they want to do or what special interests want them to do. They're not going to make different decisions all of a sudden and say, 'Let's work against the governor,' because I have thrown this idea out, because they know what this will mean at the November election. Any time they vote against something the people want, it will cost them dearly on the day of election. And they are all doing the right thing, may I remind you. This is working like a charm. It's just incredible here.

Now, of course, legislators come from different areas in California. Some are very conservative areas, some are very liberal. And they have to work together ... and find a compromise. But let's not waste time attacking each other because one is a Republican and one is a Democrat. That's a waste.

"The budget we have proposed, I can make that deal with them in one hour. We don't need now to go through the kabuki for the next three weeks, the song and dance."

time,' which is a poke in the eye to the Democratic majority upstairs. How do you reconcile those two? Are you wary that the pursuit is going to make [Democrats] less cooperative?

Governor: You have to understand, the decisions that are made upstairs, I think, [are] a reflection on what the people want. Everyone has realized after the recall that the people were extremely dissatisfied with the way the direction that the legislators have gone and the governor has gone, and it eventually back-fired and the people wanted a recall.

As a matter of fact, if you would have put the whole Legislature on the recall, they all would have lost their job... But forget that for a second. What everyone learned ... is you've got to represent the people. That doesn't mean that from one day to the next you should turn away from the special interests and from all the stuff that's going on here. You have to do it kind of smoothly, the transition.

But it is very clear now that they're making much more decisions based on what the people want. The people power is extremely important, and it's very powerful. When they flex their muscles at the polls, things happen. We have seen it with not only the recall, but also with Proposition 57 and 58. They voted for it even though a lot of people were against that here.

[With] workers' comp, again, it was clear that we were out there gathering signatures. The week when they finally approved and signed off on it and passed our workers' comp bill, we had 1.2 million signatures ready to go for the fall ballot. So that's the people power.

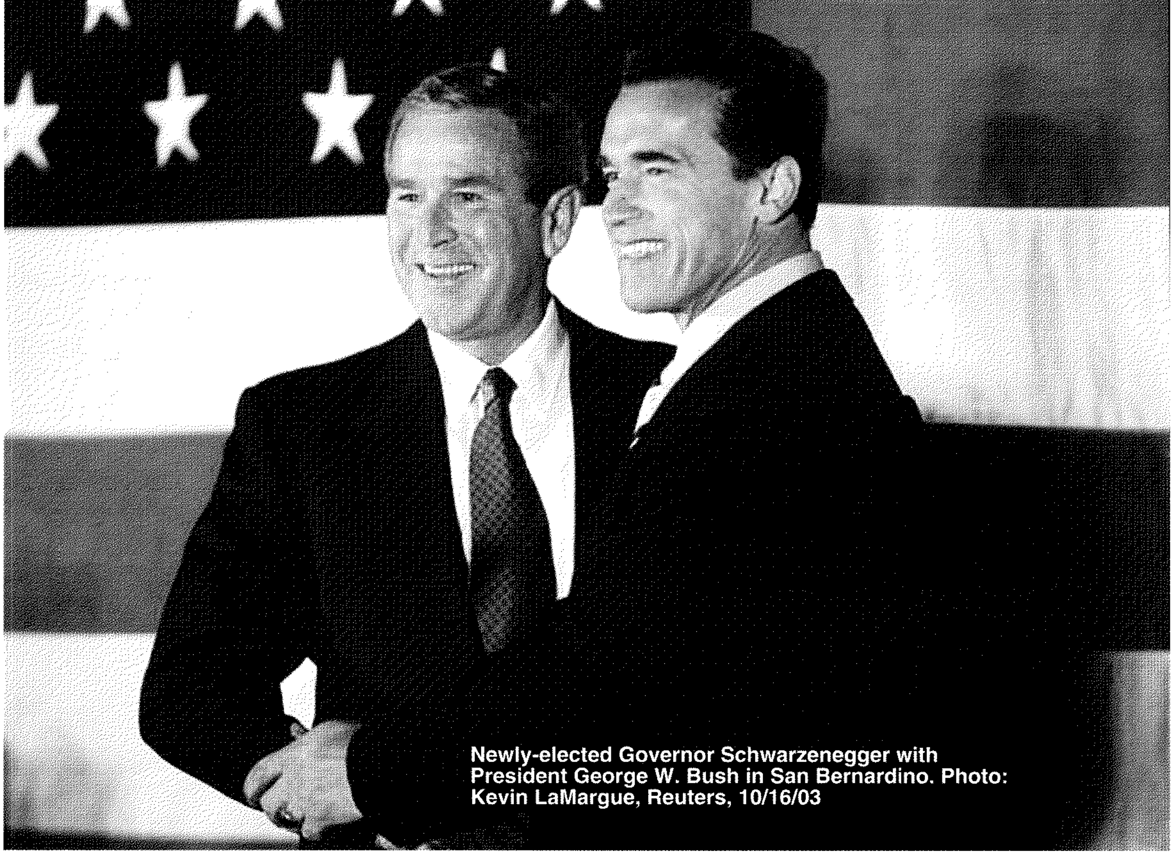
The budget we have proposed, I can make that deal with them in one hour. We don't need now to go through the kabuki for the next three weeks, the song and dance. You know, they wanted to have the big rally, and they talked about we make one phone call, we have 20,000 students. And I said make that phone call. I'd like to see them. And I'd like to serve some wienerschnitzel and schnapps out there for these students. There were 3,000 out there.

So they get the message that the people are with me. ... Everyone can go home and come back and make in one hour the deal, because we know exactly what John Burton wants. We know exactly what [Assembly Speaker Fabian] Nunez wants and I know it. So we can solve it — I can solve it in — as a matter of fact, I don't even say an hour. I can solve it in two minutes.

CJ: You seem to enjoy this job. Are you surprised how much you like being governor?

Governor: When you read "Pumping Iron," one of the things that they talk about was how amazed they are at how much joy I found in the gym. While everyone was walking around saying, 'Oh, five hours of working out,' 'Oh, my God, I have to do another 400 sit-ups,' I walked in that gym and said I cannot wait for the next squat with 500 pounds. Why? Because I see the end result. I know I want to be the champion, so therefore my next squat with 500 pounds will get my thighs bigger, more defined, more control over it. So when I'm on stage I can beat the rest of the body builders. I was looking forward to it and I had great joy in the gym.

The same is with acting. Others were complaining, 'Oh, my God, another night shooting from five in the afternoon to six in the morning, all night filming, jumping over cars,' and they were complaining. I'd say I'm looking forward to jumping over this car, because I'm going to look studly on this screen jumping over the car, chasing down the villain.


Newly-elected Governor Schwarzenegger with President George W. Bush in San Bernardino. Photo: Kevin LaMargue, Reuters, 10/16/03

And the same is with this job. First of all, it was a new challenge, which I always love, learning new things, because it's on-the-job training. Second, I got over the years to become aware of the fact of how much fun it is to do something for others rather than for myself. I found great joy for many years doing things for myself, stand in front of the mirror and flexing. But, like my father-in-law said, 'Tear down the mirror.' The mirror always makes you look at yourself. Tear down that mirror, and you would then see beyond of how many millions of people out there need your help.

So over the years, with Special Olympics, the work I did on the President's Council on Fitness, to go out there, never getting paid for it, and the work with the after-school programs, never made a dollar. As a matter of fact, I spent millions of dollars on this program. I realized the joy that I had doing those things and seeing the smiling faces and seeing the impact, and people coming back saying, this kid was saved because of the after-school program. That gave me some joy that I knew that I'm ready now to take on the job where I make no money and give something back.

CJ: How do you solve problems? Some musicians write their best music in a restroom. A chess master looks at black-and-white television, and it seems to come to him. How about you?

Governor: I do it when I'm by myself. First, I get all the ideas here in this room. I deal with my cabinet people, and I talk to them all the time. I get as many ideas as possible. I have all the people that have worked in this position before, that have done this for many, many years, that are experts in this, and this is how I get the information, because I need to learn a lot. And then I go home and I think. And that's where my own creativity comes out, when I'm exercising, when I'm sitting on the life cycle, when I sit out there in the park over there and just read and study, and all these ideas start coming into my mind.

CJ: President Bush has a very tough re-election, and California is a tough state for him. What kind of challenge does that present for you? What do you see as your role in the campaign this year, and can you deliver California to him?

Governor: It is a challenge because, on one hand, I want him to win, and on the other hand, I'm elected to be governor of California and to be the people's governor, which means the Democrats' and the Republicans' governor. How do you put those two together? The key is that when I work in California, not to make it political, that it's always bipartisan.

But, you know, when the question arises about President Bush, I would tell the people, I will vote for President Bush, that I'm supporting him, and I will support him, and if he comes out here I will support him. I'm an honorary chairperson on his re-election committee in California. So, it's a very sensitive thing, but I want to make sure that I represent California, and I will stay and do my work in California. This is a totally separate thing.

But I do not go around the country or anything like that, because there's too many Democrats here. I don't want to rub that in their face. I want them and me to be a partner, to work together, the legislators to work together here. So I would do what anyone would do in my position, when you're a Republican, or if you're a Democrat, you would be obviously supporting the Democratic candidate.

CJ: What about your role in California legislative elections this fall? You've done exceptionally well with the

> **"But, you know, when the question arises about President Bush, I would tell the people, I will vote for President Bush, that I'm supporting him. . . .But I do not go around the country or anything like that, because there's too many Democrats here. I don't want to rub that in their face."**

Democrats, as well as the Republicans; that you have, in fact, been a bipartisan governor. Some governors — Earl Warren comes to mind— were so mindful of that, they didn't campaign in legislative districts because they didn't want to disrupt those relationships. Other governors have taken a different course. Do you see yourself becoming involved in state legislative elections this fall?

Governor: With some. But, because of the great relationships that we have built, it is much less than what I expected to do when I came into office. Much less. Because there is no reason for it. Because we are having a good relationship, but there's some that are open seats, and there's some that I will go to that I promised to because they helped me in my campaign.

CJ: You're currently in negotiation with the tribes over gaming compacts. In terms of the concept of tribal sovereignty, does it make California more difficult to govern? Does it make your job more difficult?

Governor: No. The way it's set up, it's perfectly fine with me. Because, again, last October you could see that all the money that was spent by the tribes for other candidates, the people spoke loud and clear. You can't buy the people's minds and their opinions. So the ultimate power is the people.

CJ: The power of the people doesn't extend to tribal land.

Governor: No, but they have a certain political clout, because they have a lot of money. And so they got involved over the last many years in many of the political campaigns, and then in the end — a certain power which makes them very tough for someone to govern. But in the end, it's really the people power that counts.

I want to always look at the gaming tribes and all Indians, even though they are a sovereign nation, I look at them as Californians. And I'm sure that they want to look at themselves as Californians, too. They have their own sovereign nation and they have their own tribes and they have their casinos and all this, but they're part of California. They use our roads, they use our electric power, the water, everything. They're part of the system.

And I think to be a sovereign nation is a great idea that the federal government has worked out. All of that is just perfect. But we want them also to come in and participate in our problems that we have right now and therefore pay some of the money. ...They, of course, have expressed great interest in expanding some of their gaming, more slot machines. We can do that, we have no problem with that, but come in and help us.

So I don't see any problem with governing. The key is not to always look at the other party as the enemies, but to look at both parties as a valuable party with a valuable contribution to the state.

CJ: You like the job enough to run again?

Governor: I don't even think that far. Once again, a hypothetical. But, I mean, the thing is that it's doable because the ultimate agenda ought to be always to bring people together. People that think differently, to bring them together. ...It's all about compromise. I want to hang a painting on the wall. Maria likes to have 5,000 photographs of her family hanging, maybe, on that wall. Well, how much do I need really the painting? But maybe it means a lot to her since she lives so far away from her family to have every day the family members on the wall to see them. It's a valid argument. So you go with that. That's what the relationship is all about. We will never see eye to eye on everything. Very rarely. That would be boring.

CJ: Do you think fear is driving the Legislature to compromise? The notion that this guy is such a big star, he's going to come in and campaign in the district?

Governor: I'm not into the punishment thing, to go out and pay someone back and all this. I don't want to spend time on any of that. I'm going to help some of the candidates because they helped me.

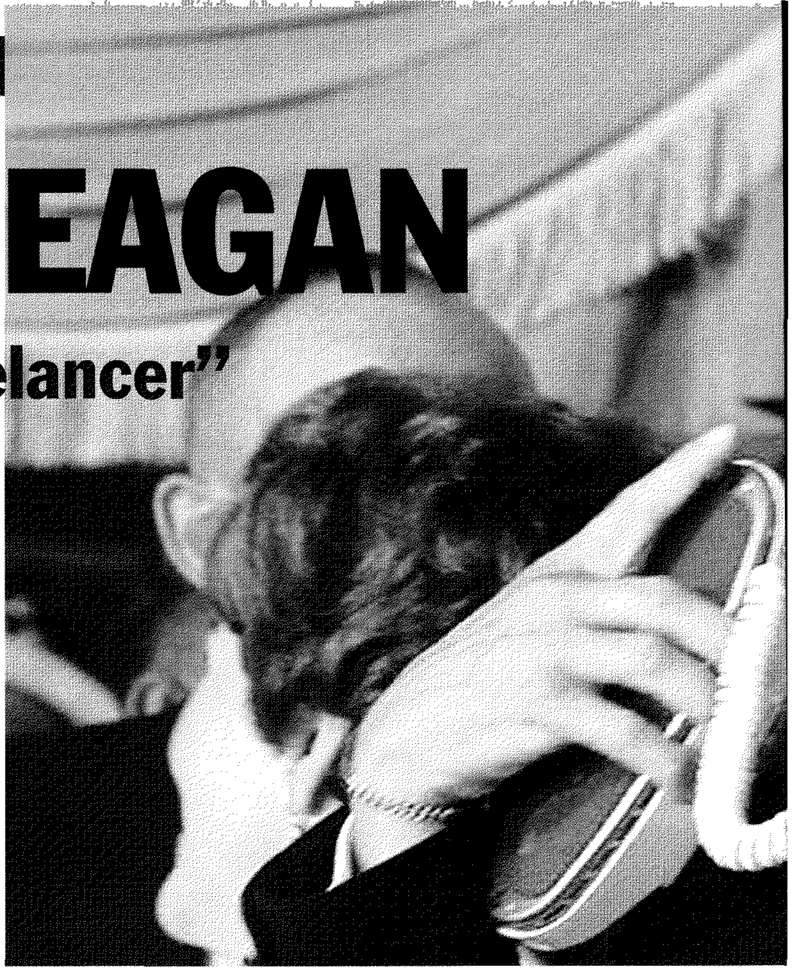
When I was campaigning, especially the last week, as you remember, when the shit hit the fan, there were people coming on board that I haven't even seen before. Like Bonnie Garcia [GOP Assemblywoman, Cathedral City]. She called and said, 'I am here by your side. I know you. I've seen you come through our city here with after-school programs. I know how passionate you are about helping people. I am by your side. I want to drive with your bus up and down the state as a woman to let them know how much I believe in you.' That's the kind of people that I have. Abel Maldonado [GOP Assemblyman, Santa Maria] and people like that. There was a whole line of people like that that jumped on that bus and drove around with me. Of course, I will be there for them. I was touched by that kind of support when you're in trouble. Because remember, victory has a lot of friends, but in defeat or when the thing goes south, then you stand a lot of times by yourself. But in this case, it was the opposite. So I will be there for them. That's the way I am.

Send comments to **comments@californiajournal.org**

From the *California Journal* archives

RONALD REAGAN

The *Journal's* first "freelancer"



Ronald Reagan on the phone in Los Angeles hearing that he has taken the lead in the 1966 gubernatorial primary election. Photo: Bettman/Corbis, 6/7/66.

When *California Journal* published its inaugural issue in January 1970, the entire magazine was written by editors and contributing editors with one exception — a letter from Governor Ronald Reagan, wishing it well. That made the governor our first "freelance writer."

The *Journal* covered Reagan extensively over the next four years. Included in that coverage were several exclusive interviews and a November 1974 analysis of Reagan's years as governor, written by Reagan biographer Lou Cannon, then a political reporter for the *Washington Post*. In January 1990, a year after leaving the White House, former President Ronald Reagan wrote an essay for the magazine on California's future.

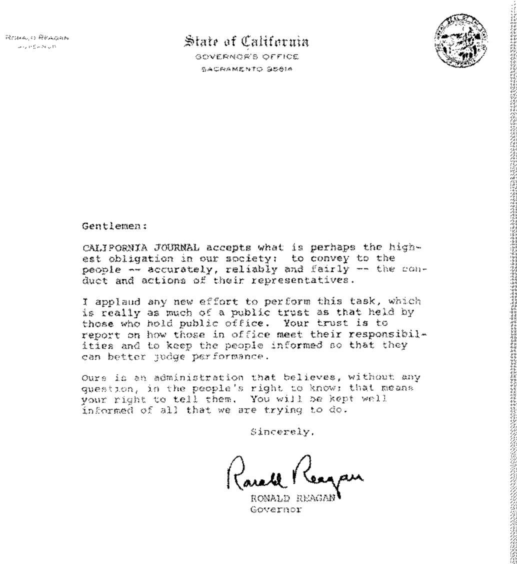
What follows are Ronald Reagan's words taken from the pages of *California Journal*. The illustrations also are from the *Journal*, but the photos are from other sources, since *California Journal* did not use photographs during the 1970s.

Letter, January 1970:

"CALIFORNIA JOURNAL accepts what is perhaps the highest obligation in our society: to convey to the people — accurately, reliably and fairly — the conduct and actions of their representatives.

"I applaud any new effort to perform this task, which is really as much of a public trust as that held by those who hold public office. Your trust is to report on how those in office meet their responsibilities and to keep the people informed so that they can better judge performance.

"Ours is an administration that believes, without any question, in the people's right to know; that means your right to tell them. You will be kept well informed of all that we are trying to do."



RONALD REAGAN
GOVERNOR

State of California
GOVERNOR'S OFFICE
SACRAMENTO 95814

Gentlemen:

CALIFORNIA JOURNAL accepts what is perhaps the highest obligation in our society: to convey to the people -- accurately, reliably and fairly -- the conduct and actions of their representatives.

I applaud any new effort to perform this task, which is really as much of a public trust as that held by those who hold public office. Your trust is to report on how those in office meet their responsibilities and to keep the people informed so that they can better judge performance.

Ours is an administration that believes, without any question, in the people's right to know; that means your right to tell them. You will be kept well informed of all that we are trying to do.

Sincerely,

Ronald Reagan
RONALD REAGAN
Governor

This letter by Governor Ronald Reagan appeared in *California Journal's* inaugural issue, January 1970.

Interview, December 1970 (excerpts):

[Ronald Reagan was interviewed by Journal *editors a month after winning a second term as governor.]*

"Government has tended to grow further from the people and more centralized in authority — on up from the local government to the state, from the state to the federal government. We keep striving to get the federal government to return more autonomy to the state, but I feel we can't do that without, at the same time, our returning it more to the local government."...

"Government is so spoiled that the first reaction to any crunch is that we will get more money from the people. I think the people are as hard-pressed as anyone with inflation, and I think the time has come for government to say, 'If there is any belt-tightening going on, we match the citizens in the belt-tightening, too."...

"Welfare should be divided,

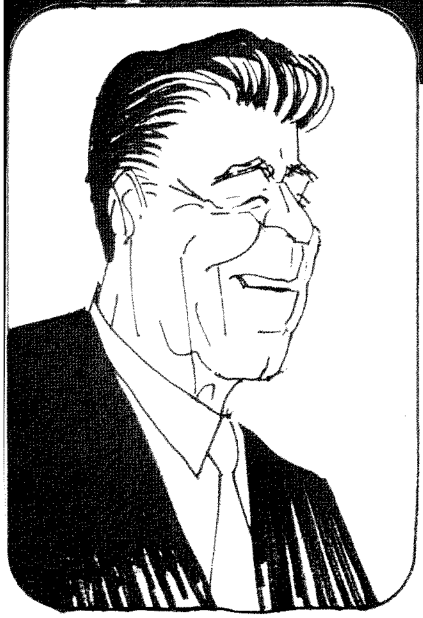
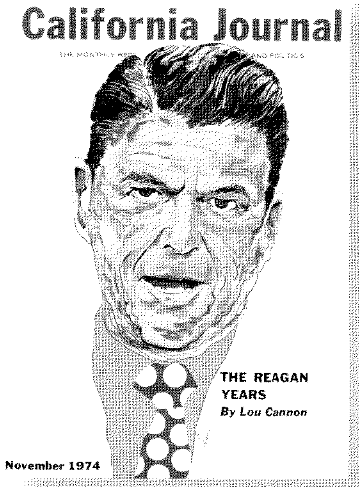


Illustration by Hugo, *CJ* March 1970

and you should take the permanent dependents — the aged, the disabled, the blind — and set them aside, not as welfare dependents but as pensioners who, as I say, through no fault of their own must depend on the rest of us. Let's put them on a basis similar to Social Security, where with the least administrative overhead, they are provided with what they need, not only to just stay alive, but with as much comfort as we can provide. [With the rest of welfare] our goal should be to solve the problems of those people who are physically able but not now capable of going out into the competitive market to sell themselves in the labor market.

"We have too many people who are the second and third generation of their families on welfare. It has become a permanent way of life for a whole segment of our society. It never should be. And it isn't enough to think that our only goal and purpose is to continue to fill their bellies. There is a spiritual side to man, and we also are just destroying the moral fiber of man."



California Journal

THE REAGAN YEARS
By Lou Cannon

November 1974

CJ cover, November 1974

"Our problem is simply to be realistic in imposing controls on the makers of fuel and the makers of automobiles that meet the tenuous line where we force them into creating what they have to create, and yet not be so unrealistic ... like saying that if they can't do it by x number of years, throw them off the road.

"California is ahead of the whole nation, including the federal government. ...We have done more to force Detroit to make cars to meet our requirements. They have to help clean up the rest of the country, too, because we are a big enough market that they have to make their cars to meet our standards."

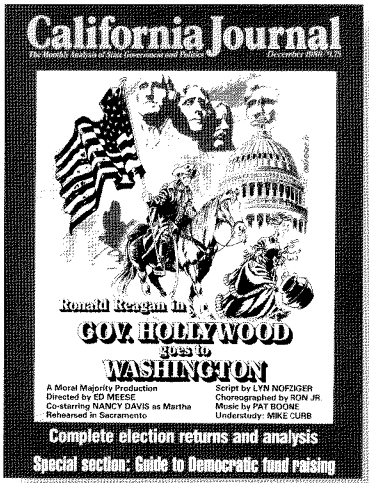
Interview, April 1973 (excerpts):

[Governor Reagan was interviewed about a tax limitation proposal he planned to put to voters as Proposition 1 in the November 1973 election. The proposal was defeated.]

"Now, when we look at 44.7 cents as the government's share of the citizen's dollar, that is the biggest single expense item that any citizen has. We think that someplace, every branch of government has got to start facing up to whether there is a percentage of the private sector earnings above which the government cannot go without adversely affecting the economy. There is no question we are beyond that point."...

"When I say 'special interests,' you see, most people think in terms of some business or organization or group that wants a favor. Now, I'm talking about a cause. I'm talking about people who believe there is something lacking in the social structure that there should be a government program for it. What is wrong with calling all the attention of the people to this, instead of bulldozing it through the Legislature with a great lobbying effort?"...

"When I think over the years, [the principal legacy of the Reagan governorship] has been a new awareness of state government on the part of the people. I think there is more participation by the people, more knowledge about it, more interest in it, more participation. ...And, summing it all up, this would be the thing I am



California Journal

Ronald Reagan in
GOV. HOLLYWOOD
goes to
WASHINGTON

A Moral Majority Production
Directed by ED MEESE
Co-starring NANCY DAVIS as Martha
Rehearsed in Sacramento

Script by LYN NOFZIGER
Choreographed by RON JR.
Music by PAT BOONE
Understudy: MIKE CURB

Complete election returns and analysis
Special section: Guide to Democratic fund raising

CJ cover, December 1980

1980 CALIFORNIA REAGAN DELEGATION

A Ronald Reagan cowboy hat from the Republican national convention, 1980.

happiest about."

Interview, November 1974:

[Contributing Editor Lou Cannon wrote an analysis of the Reagan governorship, which included comments by the governor on his relationship with the media.]

"I don't think I've converted the liberal members of the press who are ideologically opposed to me — to my beliefs. But I hope they realize that for one thing I made myself accessible. We tried to level with the press on everything that we were trying to do. I know that guys with the Capitol press corps who come into these press conferences have a job to do, and I've tried to make that job as easy as I could. I didn't throw any roadblocks in the way. And I think that we've developed an understanding on that basis with many members of the press." ...

"Even though ideologically they may still totally disagree with what I'm trying to do, I think that for the most part they recognize they can get answers, and they acted in that way."

Essay, January 1990 (excerpts):

[On its 20th anniversary, the Journal *asked the state's former governors, including former President Ronald Reagan, to write an essay on California's future in the next 20 years.]*

"When I became governor of California in 1967, I had a vision of the kind of government and state I wanted to work toward. I called that vision the "Creative Society." ...The Creative Society promised to turn loose the dynamic forces of free men and women to create, build and produce; it provided the framework to solve California's problems and bring out the full potential of its people. ...

"The ability of a free people to build and achieve through voluntary cooperation will always out-pace command or totalitarian economies. Success after success among the nations of the world attest to the genius of the marketplace."...

"In the past, and more so in the future, California will continue to hold a special place in the hearts of freedom-loving men and women around the globe. We symbolize the full flowering of democracy, the true trust of the everyday citizen. California's provision for direct democracy through the initiative process, ballot propositions, and recalls of government officials are but a dream to those suffering under the iron boot of repression."

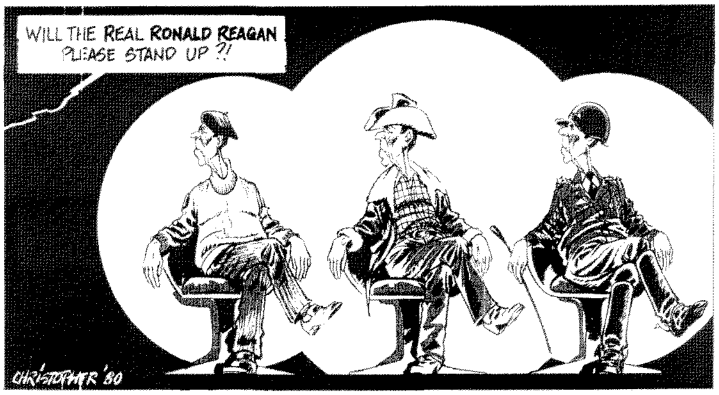
"Just as the dynamic forces of free enterprise are the foundation of our economic prosperity, so it is the private sector that may provide some of the most creative solutions to our current problems in the future. The challenges posed by congested transportation, environmental problems, and the need for improved education will frequently be met by the private sector and government working together."

"In the decades ahead, American and the world will continue to look upon California as the land of opportunity. ... People are drawn to California by the tremendous opportunities that stem from our diverse and balanced economy."

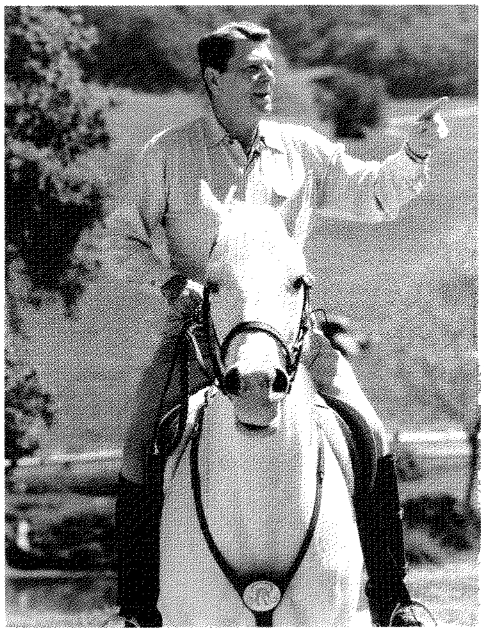
"California will continue to be the focus of the hopes and dreams of men and women across America and around the globe. That will especially be true during the coming 20 years of progress, development and growth. It will hold out for people everywhere what I've always liked top call 'the magic of California.'"

California Journal
The Monthly Analysis of State Government and Politics
May 1980
WHO WILL RUN THE REAGAN WHITE HOUSE?
Greetings from the White House
The hot primary races
Decline of the 'imperial speakership'
SPECIAL SECTION
Ballot proposition analysis

CJ cover, May 1980


WILL THE REAL RONALD REAGAN PLEASE STAND UP ?!
CHRISTOPHER '80

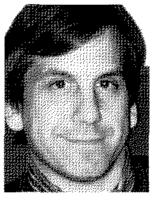
CJ editorial cartoon, December 1960



Reagan at his ranch in Santa Ynez

Where have all the candidates gone?

by Marc Sandalow



Much has been made — for better or worse — of Ronald Reagan's influence on the nation and the world. For Californians, this much is clear: As the sun set over the West Coast following Reagan's burial last month, an era of Golden State influence on the White House drew to a close.

Reagan's eight years as president crowned a remarkable half-century in which at least 10 Californians sought the presidency. Tapped to provide balance and electoral muscle to the East Coast-dominated parties, Californians were on the ticket in eight of the 10 presidential elections that followed World War II, starting in 1948 when Earl Warren was Thomas Dewey's running mate.

> "The people ... generated in California for higher office have become less suited to be national candidates."

California today is a Democratic stronghold, but Reagan's passing reminds us that Republicans once depended on the state. Republicans had a Californian on every winning presidential ticket from Herbert Hoover's election in 1928 though Reagan's reelection 56 years later.

Meanwhile, California Democrats, including former Gov. Jerry Brown and former Sen. Alan Cranston, aggressively sought the presidency, though none has ever made it onto a ticket. (Adlai Stevenson was born in Los Angeles but raised in Illinois and hardly qualifies as a Californian.)

Today, 15 years after Reagan left office, Californians are all but out of the picture. The state's Democrats are too old, too young or too liberal. And the Republican governor, certainly the state's best-known political figure, is barred from the presidency by the U.S. Constitution.

"California has become less typical of the country," explains Michael Barone, author of the "Almanac of American Politics." "With the high immigrant population, the big 'left coast' vote ... the people who have been generated in California for higher office have become less suited to be national candidates."

Three Californians sought the presidency as recently as 1996, though the campaigns of Gov. Pete Wilson, former Rep. Jack Kemp and Rep. Bob Dornan never got off the ground.

Yet no Californian joined the presidential contests in 2000 or 2004. Sen. John Kerry's short list of running mates includes no Californian. Nor is anyone talked about — barring a constitutional amendment to allow Gov. Schwarzenegger to run — as a serious presidential candidate in 2008.

For Californians like Richard Nixon, who was catapulted into national prominence in 1952 when he was selected as Gen. Dwight Eisenhower's running mate, California represented only a small part of their national identity. By the time Nixon ran for president in 1968, he had lived several years in New York, where he retired after resigning from the White House.

For Reagan, California was a central part of his presidency. Over a five-year span, Reagan named Californians to run the departments of Justice, State, Defense, Interior, Energy and Agriculture. When California lawmakers of either party needed something done for their district, they knew where in the administration to turn.

"The Californians in the White House ... were the appeal body of last resort for this state," former U.S. Rep. Vic Fazio (D-West Sacramento) told *The Sacramento Bee* 20 years ago.

California's size and electoral clout make it impossible for any president to ignore. Former Pres. Bill Clinton visited the state more than 40 times during his presidency, and Pres. George W. Bush has appointed Californians to run the departments of Transportation, Agriculture and Veteran Affairs. Yet when Bush traveled last month to Reno for a campaign speech he made no plans to stick a toe over the border.

There is no doubt that California's Democratic leanings have made it more difficult for Republican candidates to emerge from the state, which now accounts for more than one-fifth of the electoral votes needed to win the presidency. But there are other factors, including a string of governors who found their presidential campaign skills did not match their ambitions.

"We had an incredibly dry streak of anti-charismatic ... people in the governor's office," said Bruce Cain, director of the Institute of Governmental Studies at UC Berkeley.

Cain also noted that California's brand of television-heavy, wholesale politics does not necessarily work in small states like Iowa and New Hampshire. "There's nobody on the horizon right now who really looks like a star," Cain said.

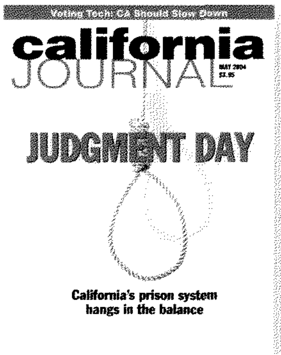
Of course, the same thing could have been said 40 years ago, before Reagan stunned the experts by winning the governor's seat and embarking on his meteoric political climb.

Contributing Editor Marc Sandalow is Washington bureau chief for the San Francisco Chronicle. *Send comments to* **comments@californiajournal.org**

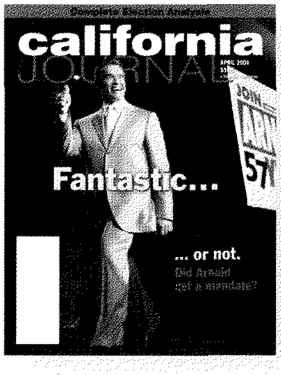
Prison reform 'muzzled'

I read with some interest your interview with [former state Inspector General] Steve White ["A System With No Center," May 2004]. I was formerly an appeals coordinator and worked directly under Rod Hickman [current state Youth and Adult Correctional Agency secretary] at Mule Creek State Prison. I still work for the CDC [California Dept. of Corrections].

I have strong feelings about the current situation as do many staff. However, there is a consensus among many people that the political agendas involving CCPOA [California Correctional Peace Officers Assn.] and the Legislature have effectively muzzled any critical evaluation of the underlying problems. Expecting prisons not to suffer from a lack of accountability or have code-of-silence issues (both of which are endemic to inmate populations) while expecting them to simply warehouse inmates, is like building hospitals and denying them access to medicine, instruments or even basic sanitation — and then getting upset when the patients get sicker and the staff gets sick as well. We keep discussing symptoms but never focus on the core mission which, in my opinion, is the problem.


Voting Tech: CA Should Slow Down
california JOURNAL
MAY 2004
$3.95
JUDGMENT DAY
California's prison system hangs in the balance

Tom Emigh
California Dept. of Corrections
Sacramento



Praising touch-screens

I read the article ["The Perils of Computerized Voting," May 2004] giving an analysis of the problems with touch-screen voting. Other voting systems have had even more problems throughout history.

There were limited problems in isolated counties with the touch screen voting machines in March but most were due to poor poll worker training. In most of the counties using touch screen voting, few complaints surfaced after the election. Some counties have been using touch screen voting since 1999 and have had much success. In fact, voter satisfaction surveys have had high scores.

I have used touch screens in several elections and find them easy to use. I can listen to the choices using a headset. I can then listen to the finished ballot before I submit it to be counted or change selections if I choose. People with limited English skills and with disabilities find these systems to be the best way to vote. We can vote independently and privately.

The problems that have been cited by some are insignificant. The complaints, primarily, have been related to inadequate poll worker training. I do not understand the fact that touch-screen voting is the target for negative articles when history shows that paper ballots have caused problems ever since voting began. Why not focus on what can be done to make these systems better? Why not use the information gathered to ask the counties to improve all voting systems for all voters? I want to continue to use touch-screen voting and not have it taken away from me.

Ardis Bazyn
Burbank

Defining a libertarian

This is an attempt to answer Prof. Lance Widman's question in the May 2004 issue "What's a libertarian?" Small "L" libertarians are those of who have a strong live-and-let-live philosophy. That is inconceivable to most doctrinaire conservatives and so-called 'liberals', since both have a congenital predisposition to meddle in things that are either none of their business or beyond their limited competence.

I live in the Silicon Valley, where clients and friends alike embrace the above definition. We are fiscally conservative in that we abhor governmental waste, and we are social liberals in that we are inalterably opposed to any form or racism, sexism or religious narrow-mindedness.

Leonard W. Williams, CPA
Sunnyvale

Compelling interest

I found Dana Wilkie's piece "Arnold and gay marriage" [D.C. Perspective, April 2004] very interesting. It is a fine example of a theory I developed since I have so much time to read [in retirement]. Mass media is the real power in our society and the coverage of gay marriage is outstanding evidence of this. My theory holds that "the slope doesn't become slippery until the media greases it." It also means that we have to redefine "compelling interest," as in the state having a stake. It now means that we, as a society, have been forced to consider a certain subject — our interest has been "compelled."

Jim Clifford Sr.
Redwood City

A part-time Legislature: Who wins?

by Tim Hodson

It is absurdly easy to bash the Legislature. Designed to be slow (to protect against rash actions), complicated (to constrain power by creating more obstacles than opportunities to pass laws) and representative (to insure all parts of California have a voice), the Legislature seems ineffective and irrelevant.

This does not justify, however, returning to a part-time Legislature as Gov. Arnold Schwarzenegger has mused. What would California government and politics be like if he got his wish? Who would be the winners and losers?

The obvious winner would be the governor, who would be in office 24/7 for four years. With a Legislature, weakened by term limits and ballot-box budgeting, in session only a few months a year, the governor would exercise considerable power largely free from legislative oversight.

The state bureaucracy will also be a big, though unintentional, winner. According to the U.S. Census Bureau, California ranks dead-last in the number of state workers per capita. The state bureaucracy is still rightfully known as one of the most competent and honest in the nation, and it would dearly love to be free of legislative interference.

The obvious loser would be the Legislature. But the not-so-obvious losers are more troubling.

And that's the problem. California enjoys a clean, efficient bureaucracy, but it is not perfect and its views often don't reflect the needs of ordinary citizens. Moreover, history proves that it is more effectively monitored by the Legislature than the governor. Prison fights, veterans' home abuses and unnecessary paperwork came to light because of the press and the Legislature.

A third obvious winner would be the organized interests who employ lobbyists. Insurance companies, banks, unions, and the like would not become part-time operations because the Legislature went part-time. Special interests and their lobbyists would simply shift to regulatory hearings, agency decisions, meetings in the governor's office and other places the news media rarely ventures. Special interests may influence legislation but at least most legislative actions are visible.

On the other side, the obvious loser would be the Legislature. But the not-so-obvious losers are more troubling. Small and geographically isolated communities would lose influence as power shifts from a Legislature elected by 120 different districts to a governor elected by a single statewide electorate. To illustrate, 1.4 million Californians live in the 21 counties north of Sacramento. They are currently represented by four senators and seven Assembly members, who have 24 district offices. It is not unusual for these 11 members, who equal 9 percent of the entire Legislature, to work together on regional issues.

Who would represent these 1.4 million people when their legislators are back home and the governor and bureaucrats in Sacramento are allocating park funding? Given that the area has only 5 percent of the state's voters; that none of the past five governors had a field office north of Sacramento; and that no statewide elected official has hailed from the area since U.S. Sen. Claire Engle in 1958, the answer is: no one.

Other losers would be low-income areas and many communities of color. Politicians and political scientists have long known that income levels are directly tied to voter registration and turnout. Under our representative democracy, the 44,000 people of Bell Gardens (average income $23,819; 10 percent white) have equal representation with the 47,000 people of Rancho Santa Margarita (average income $78,475; 74.4 percent white). There are about 9,000 voters in Bell Gardens and 26,000 in Rancho Santa Margarita. The hard political reality is that in a statewide election, Rancho Santa Margarita is three times more important than Bell Gardens. This unequal power, unfiltered and unchecked by the Legislature, would inevitably be reflected in government policies, programs and priorities.

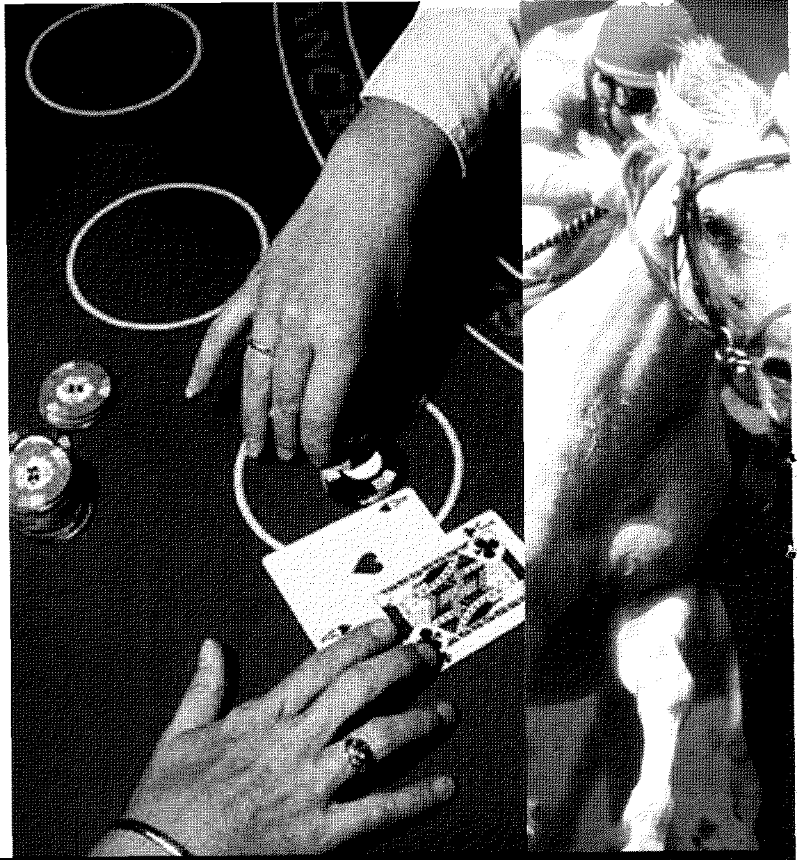
And this points to the biggest and most important loser with a part-time Legislature: the basic American idea that none of the three branches of government should have too much power while each must have sufficient power to keep the others in check. A part-time Legislature would vitiate an already damaged institution and weaken our basic constitutional system.

Finally, it is important to remember the law of unintended consequences and its corollary, the rule of rude awakenings. How many proponents of a part-time Legislature will be so enthusiastic when the governor's name is not Schwarzenegger but Lockyer, Angelides or Westly?

Tim Hodson is executive director of the Center for California Studies at CSU Sacramento. He spent nearly two decades as a full-time employee of the full-time state Legislature. Send comments to **comments@californiajournal.org**

In what could be their final showdown, Indian tribes and an alliance of card room and race track owners square off this fall with competing ballot initiatives. At stake: the tribes' monopoly on slot machines and billions of dollars in gambling revenue.

By James P. Sweeney



A high-stakes

Every day, patrons at the new Thunder Valley Indian casino just outside Sacramento walk out collectively a million dollars or so lighter than when they arrived. Open barely a year, the thriving gambling palace already is reporting revenues that rival the biggest, most successful casinos on the planet.

None of the state's other tribal casinos publicly disclose such numbers, but several — Morongo and San Manuel in the Inland Empire, Pechanga near Temecula, Pala and Viejas in San Diego County — are believed to be raking it in at a similar, breathtaking pace.

Meanwhile, business is not so good for California's more established gambling industries — the race tracks that still attract top thoroughbreds and the card clubs. In one telling measure, it was less than a decade ago that the state had twice as many card rooms as the 100 or so operating today.

"The only way we can compete is to get some kind of parity," says Haig Kelegian, a prominent card-club owner.

At the tracks, attendance and betting are down. Many are having trouble drawing full fields for races. Racehorses increasingly are purchased here for export to the East Coast, where tracks pad their winners' purses with slot-machine revenue.

The conflicting trends in California's multibillion-dollar gambling trade may be about to collide. The result could be a thermonuclear political showdown in the fall.

Card rooms and race tracks that were content to let casino gambling unfold on Indian reservations in the

gamble

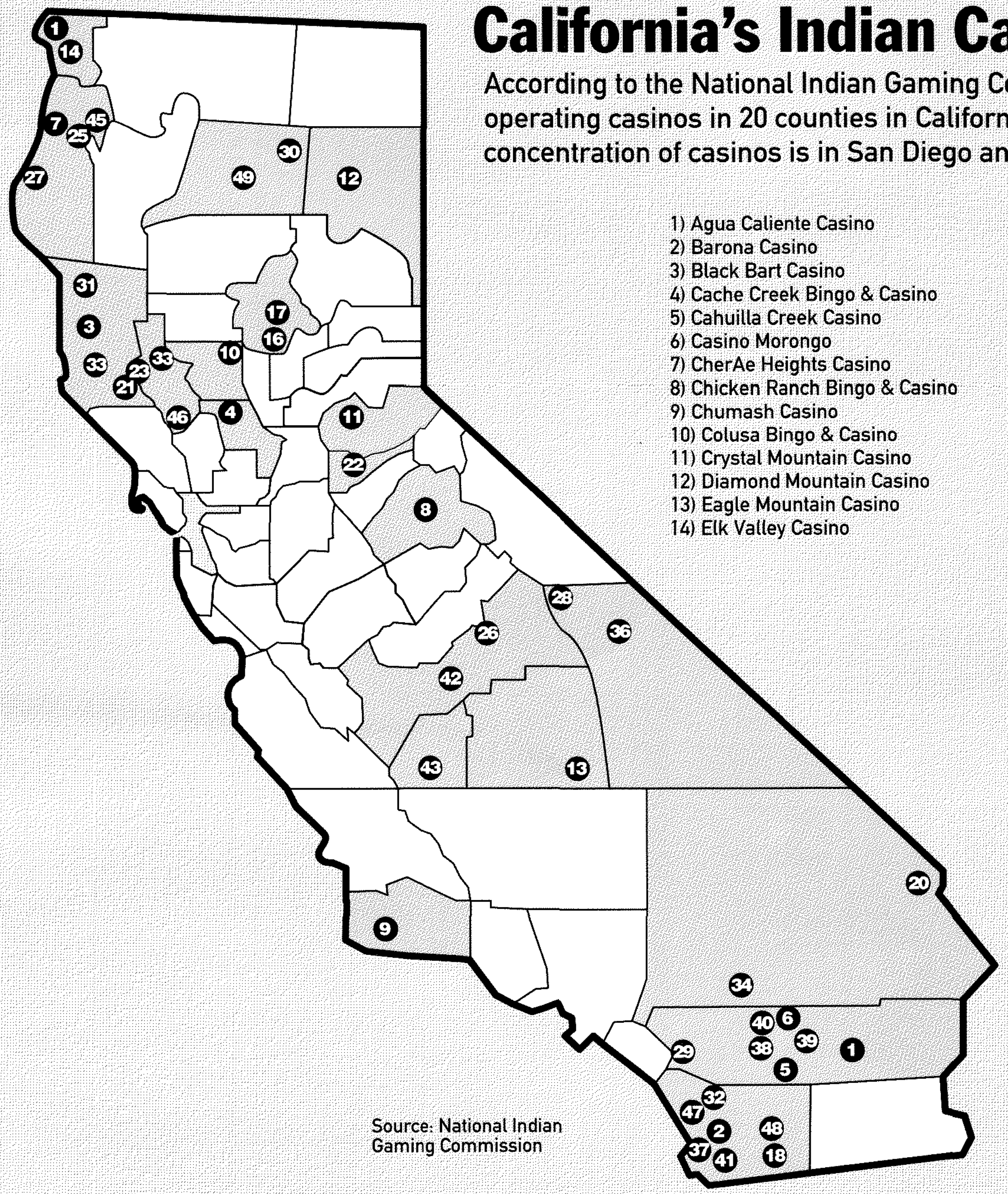
belief that some day, inevitably, it would arrive at their doorsteps, have finally concluded no one is going to give them anything. With a political opening that may never come again, they have qualified a so-called "racino initiative" that would give card rooms and tracks 30,000 slot machines, if gambling tribes refuse to comply with conditions that many will find intolerable.

In response, one of the state's most successful tribes, the maverick Agua Caliente band, is back with its third ballot measure, an initiative that could blow the doors off Indian gaming in California once and for all.

But the biggest player in the multi-layered, high-stakes chess match remains Governor Arnold Schwarzenegger, who is negotiating new tribal gambling

California's Indian Casinos

According to the National Indian Gaming Commission, there are 49 operating casinos in 20 counties in California. The highest concentration of casinos is in San Diego and Riverside counties.



1) Agua Caliente Casino
2) Barona Casino
3) Black Bart Casino
4) Cache Creek Bingo & Casino
5) Cahuilla Creek Casino
6) Casino Morongo
7) CherAe Heights Casino
8) Chicken Ranch Bingo & Casino
9) Chumash Casino
10) Colusa Bingo & Casino
11) Crystal Mountain Casino
12) Diamond Mountain Casino
13) Eagle Mountain Casino
14) Elk Valley Casino
15) Fantasy Springs Casino
16) Feather Falls Casino
17) Gold Country Casino
18) Golden Acorn Casino & Travel Center
19) Golden Bears Casino
20) Havasu Landing Resort & Casino
21) Hopland Sho-ka-wah Casino
22) Jackson Rancheria Casino & Hotel
23) Konocti Vista Casino & Bingo
24) Lucky 7 Casino
25) Lucky Bear Casino
26) Mono Wind Casino
27) North Coast Inn
28) Paiute Palace Casino
29) Perchanga Entertainment Center & Resort
30) Pit River Casino
31) Red Fox Casino & Bingo
32) Rincon Casino
33) Robinson Rancheria Casino & Bingo
34) San Manuel Bingo & Casino
35) Shodakai Coyote Valley Casino
36) Sierra Springs Casino & Restaurant
37) Singing Hills Resort
38) Soboba Casino
39) Spa Hotel
40) Spa Resort & Casino
41) Sycuan Casino
42) Table Mountain Casino & Bingo
43) The Palace Indian Gaming Center
44) Trump 29 Casino
45) Tsewenaldin Inn
46) Twin Pine Casino
47) Valley View Casino
48) Viejas Casino
49) Win-River Casino Bingo

Source: National Indian Gaming Commission

agreements that he and others hope will avert a political firefight. If Schwarzenegger gets what he wants, he said he will oppose the "racino initiative." Many believe that would be a knockout punch, given the present level of infatuation with the celebrity governor. Schwarzenegger recently announced tentative agreements with at least five tribes in deals that are expected to produce an upfront payment of at least $800 million and perhaps as much as $1.5 billion. More agreements are expected.

"The initiatives that are out there will all become meaningless, and we will make sure that we get rid of them," Schwarzenegger said.

The governor previously had said he opposes Agua Caliente's initiative, and it may not be much of an issue by November. Agua Caliente used a ballot measure as leverage in the last round of negotiations with the state and has indicated it will happily abandon the latest initiative if it gets what it wants from Schwarzenegger.

But the measure, like the "racino initiative," can no longer be pulled back or abandoned with any certainty. Both have qualified for the November election and cannot be removed from the ballot unless a court intervenes, which appears unlikely. If Agua Caliente, or any other tribe decides to bankroll a campaign on behalf of the measure, it could trump any deal Schwarzenegger seals before Election Day.

Both measures attempt to connect with public sentiment that tribes should pay more for the gold-plated monopoly they enjoy on slot machines and Nevada-style card games.

Massing forces

With negotiations pushing into the summer, the rival factions have been massing political force for months. Before either initiative even qualified for the ballot, tribes, tracks and card rooms had put more than $30 million on the table and the first television ad was on the air. Some believe the fall battle could burn through more than $150 million and set another national record.

"This is going to be the biggest one in a long time, that's for sure," says George Gorton, a Republican strategist steering the racino initiative.

Whatever happens will have profound long-term implications for California and its mushrooming gambling industry.

"Californians seem to be comfortable with a certain level of legalized gambling in their state," says political consultant Dan Schnur, hired by tribes to work against the racino initiative. "It's not yet clear how much gambling they want, or what controls they want on it. Californians are generally supportive of the tribes ... It's not as clear how they feel about other entities getting into this business. But by Thanksgiving, we'll probably know the answers to all those questions."

Under all the scenarios — both initiatives and the deals Schwarzenegger is negotiating — Nevada-style gambling figures to undergo another dramatic round of expansion in the state. Both measures attempt to connect with public sentiment that tribes should pay more for the gold-plated monopoly they enjoy on slot machines and Nevada-style card games. Schwarzenegger's campaign exploited the issue during the recall in a television ad that called on tribes to pay their "fair share." Everyone, including tribes, concede the message struck a nerve with the public.

"It's all about the tribes paying their fair share," says Rick Baedeker, president of Hollywood Park racetrack in Inglewood. "We will get slot machines if the tribes decide not to pay. The tribes won't lose, not a single percent of their gaming. But they will lose their monopoly."

The racino initiative defines "fair share" as 25 percent of tribes' net win from slots, a standard industry measure of what's left after payouts. That could amount to more than $1 billion a year from Indian casinos whose slots alone are believed to be generating more than $5 billion annually.

Tribes also would have to comply with the state's toughest environmental law, the California Environmental Quality Act, or CEQA, as well as the Political Reform Act, which requires timely reporting of campaign contributions and expenditures. And they would have to waive tribal sovereignty and agree that state courts would have exclusive jurisdiction over civil or criminal matters associated with their gaming.

If any of the state's gambling tribes refuse to pay 25 percent or comply with any other terms, the tribes' monopoly would be broken. Five tracks and 11 card rooms located in mostly urban locations, including Los Angeles and the San Francisco Bay area, would get the 30,000 slots. In exchange, card rooms and tracks would pay 33 percent of their slot revenues, primarily to local governments.

Whoever pays, the money would collect in a fund permanently dedicated to disadvantaged children (50 percent), local law enforcement (35 percent) and fire departments (15 percent). The measure would generate more than $1 billion a year, according to the nonpartisan Legislative Analyst's Office, and as much as $1.9 billion annually, according to campaign analysis by card room and race track supporters that predicts the urban slots would be incredibly profitable, earning a projected $631 a day. By comparison, slots on the Las Vegas strip average a little more than $100 a day.

Winners and losers

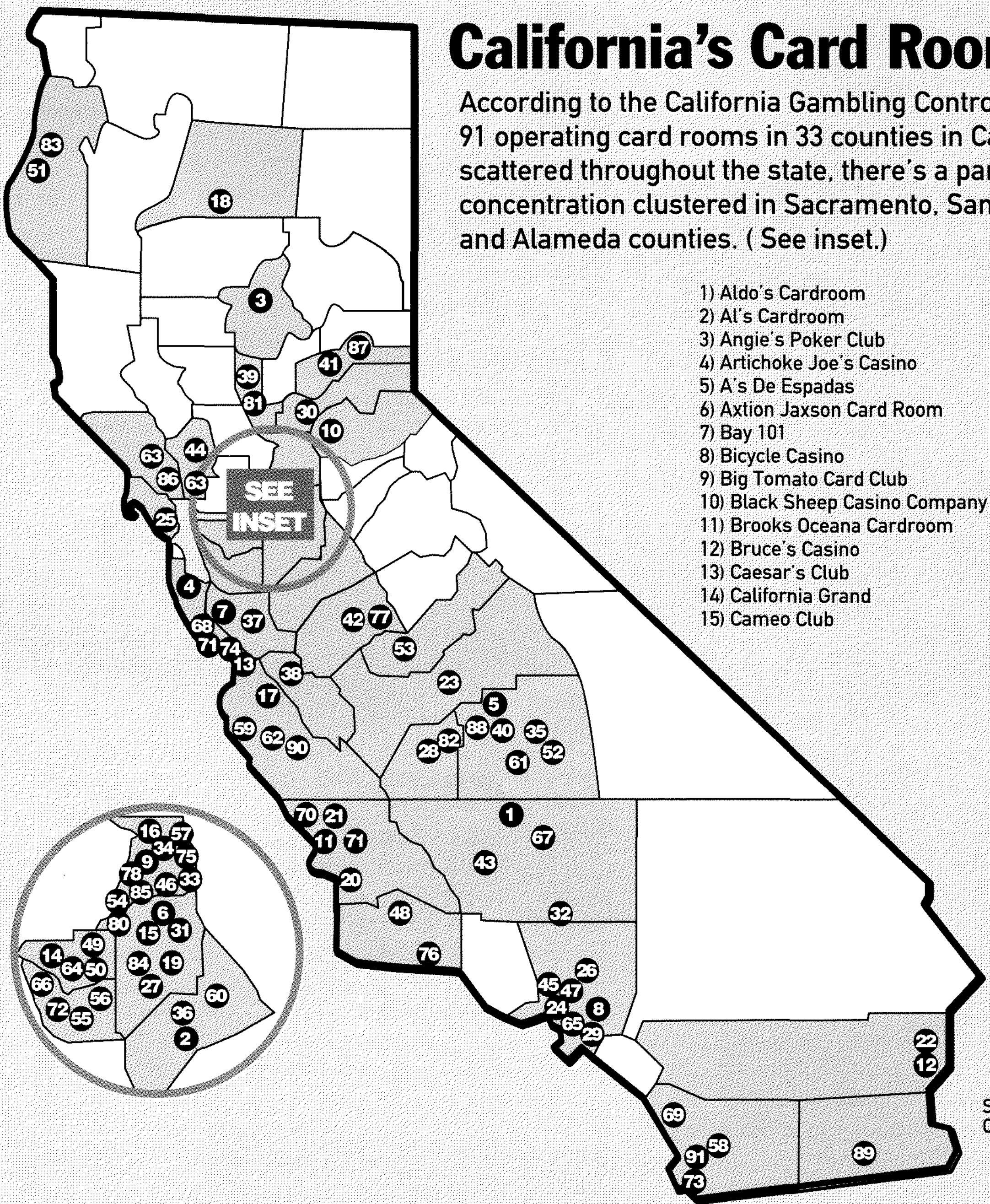
The five tracks — Hollywood Park, Santa Anita in Arcadia, Los Alamitos in Orange County and Bay Meadows and Golden Gate Fields in the San Francisco area — would be the biggest winners, splitting half the slots for a cut of 3,000 each. One provision apparently tailored just for Hollwood Park would allow the track and an existing card room on the grounds to pool more than 5,000 slots in a single, mega-casino.

Three big corporate players — Churchill Downs, owners of Hollywood Park; Magna Entertainment, owners of Santa Anita, Golden Gate Fields and Bay Meadows; and Pinnacle Entertainment, which operates two Los Angeles-area card rooms — are major backers of the initiative and would be rewarded handsomely if it passes.

Although not all card rooms and tracks would receive slots, they all would share increased revenues derived from the measure. Each card club would get an entitlement to four slots for each of their existing card tables. While they could not install machines, they could sell or lease those rights to the bigger clubs. Tracks with slots would pay into a fund to boost purses and to help support all tracks.

The measure also appears to freeze the level of local taxation, including property tax reassessments that would be triggered by any expansions, for the 16 tracks and card rooms. Curiously, the measure does not authorize house-banked card games, such as conventional blackjack, that card rooms long have sought.

In an overture to the state's poorer tribes, the card room initiative would guarantee a $1.2 million annual payment to those without gambling or with small casinos



California's Card Rooms

According to the California Gambling Control Commission, there are 91 operating card rooms in 33 counties in California. Although scattered throughout the state, there's a particularly large concentration clustered in Sacramento, San Joaquin, Contra Costa and Alameda counties. (See inset.)

1) Aldo's Cardroom
2) Al's Cardroom
3) Angie's Poker Club
4) Artichoke Joe's Casino
5) A's De Espadas
6) Axtion Jaxson Card Room
7) Bay 101
8) Bicycle Casino
9) Big Tomato Card Club
10) Black Sheep Casino Company
11) Brooks Oceana Cardroom
12) Bruce's Casino
13) Caesar's Club
14) California Grand
15) Cameo Club
16) Capitol Casino
17) Cap's Saloon
18) Casino Club
19) Casino Real
20) Central Coast Casino (GB)
21) Central Coast Casino (PR)
22) Cibola Club
23) Clovis 500
24) Club Caribe
25) Club San Rafael
26) Commerce Casino
27) Comstock Card Room
28) Cottage
29) Crystal Park Casino
30) Dealer's Choice Cardroom
31) Delta Club Cardroom
32) Diamond Jim's Casino
33) Don Juan Club & Casino
34) Duffy's
35) El Resbalon
36) Empire Sportman's Assn.
37) Garden City Casino
38) Garlic City Club
39) Ginny Club
40) Gloria's Lounge & Casino
41) Gold Rush Gaming Parlor
42) Gold Sombrero Cardroom
43) Golden Sombrero Cardroom
44) Hemphill's Card Room
45) Hollywood Park Casino
46) Hotel Del Rio & Casino
47) Hustler Casino
48) Jalisco Pool Room
49) Johnny B's
50) Kelly's
51) Klondike Casino
52) La Fuerza
53) La Primavera Pool Hall & Cafe
54) Lake Bowl Card Room
55) Livermore Casino
56) Lucky Buck Card Club
57) Lucky Derby Casino
58) Lucky Lady
59) Marina Club
60) Mike's Card Casino
61) Mint
62) Mortimer's Card Room
63) Napa Valley Casino
64) Nineteenth Hole
65) Normandie Club
66) Oaks Card Club
67) Oasis Card Room
68) Ocean View Cardroom
69) Oceans Eleven Casino
70) Old Cayucos Tavern
71) Outlaws Card Parlour
72) Palace Card Club
73) Palomor Card Club
74) Philippine Gardens
75) Phoenix Lounge Casino
76) Players Poker Club
77) Poker Flats Casino
78) Rancho's Club
79) River Cardroom
80) Rogelio's Inc.
81) Rooney's Cardroom
82) Royal Flush Casino
83) S&K Cardroom
84) Saigon Casino Club
85) Silver Fox
86) Sonoma Joe's
87) St. Charles Place
88) Sundowner Cardroom
89) Tommy's Casino
90) Ven-A-Mexico
91) Village Club

Source: California Gambling Control Commission

operating 350 or fewer slots. The figure is $100,000 higher than a target for similar revenue-sharing payments in the state's existing tribal gambling compacts.

Most tribes aren't expected to get past the 25 percent, a level that mirrors what the massive Foxwoods and Mohegan Sun tribal casinos pay the state of Connecticut.

"It's an impossibility," says Agua Caliente Chairman Richard Milanovich of the 25 percent bite. "We don't have the same environment that Foxwoods and Mohegan Sun do and we have much more competition."

"That's ludicrous," counters Gorton. "Twenty-five percent is either a percent of a little amount or it's a percent of a big amount, and 25 percent is a very reasonable amount for a monopoly of any kind and especially a monopoly in California on something as lucrative as gambling. "I think the tribes are crazy to not take the deal. All my clients are offering 33 percent."

In contrast, the Agua Caliente measure is fairly simple. Tribes would get unlimited gaming if they agree to pay the state's 8.84 percent corporate income tax rate. They also would be allowed to play games such as roulette and craps, which are still prohibited in California, as well as "any and all other forms of casino gaming."

The terms would be blessed in 99-year compacts that the governor would have to offer within 30 days of a request from any tribe.

Tribes may be able to persuade some that the corporate tax represents their "fair share," despite the many other taxes that mainstream California businesses pay. But the 99-year mandatory compacts have not been polling well, those on both sides say.

"Ninety-nine years sounds like forever," says one insider who has seen polling on the subject. "It sounds like an open bar tab."

Alliances are still forming, but Milanovich says he expects to have at least two dozen tribes behind his measure. But the initiative also may draw tribal opposition, from those in less desirable locations who are already struggling to compete with the big casinos.

Who's using whom?

The tracks and card rooms have hitched their fortunes to public safety (primarily law enforcement) and education, but those constituency groups are not solidly on board. Los Angeles County Sheriff Lee Baca and Sacramento County Sheriff Lou Blanas are out-front proponents, but most other sheriffs in the state oppose the measure. Leaders of the state police chiefs association condemned it almost immediately.

"It's basically a guarantee for a dramatic expansion of gambling in California," says Arroyo Grande Police Chief Rich TerBorch, former president of the police chiefs association. "We call it the slot-machine initiative.

"What really irritated us, the whole issue of hiding it behind public safety is a sham. It's not a public safety initiative. It is an initiative strictly intended to expand gaming. We're being used as a tool and we resent that."

Baca, who pushed for a greater share for local law enforcement when the measure was being drafted, says he has lost 1,000 deputy positions in the last two budget cycles and more cuts are looming.

"It's a fiscal crisis," Baca says. "We need extra revenue. It isn't going to come from Sacramento and it isn't going to come from the rising economy."

The initiative could deliver $70 million to his sheriff's department, enough to hire 700 deputies, Baca says. Yet, Baca and Blanas have been pressed to square their past opposition to gambling, and the perceived public perils associated with it.

"Both of them," warns Schnur, "will spend the rest of their respective political careers explaining why they got into bed with Larry Flynt," the *Hustler* magazine publisher and owner of the Hustler casino in Gardena, one of the card clubs that would get slots.

Baca says he criticized card rooms in the mid-'80s, when the industry had some indisputable problems in Los Angeles County, where one club was taken into federal receivership. The industry has since cleaned itself up and a new state gambling commission is in place, the sheriff says.

"Gaming is legal in California," Baca argues. "This isn't a question of what police want, this is a question of what the public wants."

Some leading education voices and some firefighters' groups also have not been kind to the racino initiative. State schools superintendent Jack O'Connell opposes it as does the 70,000-member California Federation of Teachers. The dominant California Teachers Association rejected an endorsement recommended by its political committee, and instead chose to remain neutral.

"Whatever voters may think about casinos and gaming, it is wrong to use our public schools as protective cover to sell a ballot measure that is actually only about gambling," O'Connell says.

Gorton says the opposition, even from groups that could benefit, reflects the intense political pressure the well-heeled tribes can bring to bear. Many wonder how long even the card rooms and tracks can withstand it, especially if Schwarzenegger weighs in.

"I am 100 percent in support of Native American gaming," says a frustrated Kelegian. "They've done a great job. They've elevated gaming in California beyond anybody's imagination and I support their business. I just don't want them to destroy mine."

James P. Sweeney is Capitol Bureau Chief for Copley News Service. Send comments to **comments@californiajournal.org**

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Appointees:

Arnold puts his stamp on Coastal Commission

Continuing to carve out an environmental team, the Gov. Arnold Schwarzenegger recently appointed three Republicans to replace three Democrats on the California Coastal Commission. The three are: **Meg Caldwell,** a law professor and director of the Environmental and Natural Resources Law Policy Program at Stanford University; **Steven Kram,** executive vice president at the governor's former talent agency, William Morris Agency; and **Bonnie Neely,** a member of the Humboldt County Board of Supervisors, who previously served on the coastal commission from 1988 to 1993 as an appointee of Gov. George Deukmejian.

At least two are no strangers to politics: Neely has been a county supervisor since 1987, served on the California Board of Forestry and ran for the state Assembly in the 1996 GOP primary. Caldwell, a former policy analyst for the federal Environmental Protection Agency, is an environmentalist who stepped down from the Saratoga Planning Commission several years ago because the city council was "too pro-growth" and "anti-public participation." Kram's environmental credentials are the least obvious. Asked why he was appointed to the high-profile commission, Kram told a reporter: "I supported the governor in the recall election and I contributed to his campaign." Kram donated $5,000 in last year's recall.

Each coastal commissioner receives a $100-per-day diem for the commission's monthly meetings. They replace three Democrats appointed by former Gov. Gray Davis, including former state Resources Secretary Mary Nichols, who was appointed in the waning days of Gov. Davis' term and served less than a year. The governor has one vacancy left to fill; the remaining eight commissioners are appointed by the state Assembly and Senate leadership.

Administration

Among the recent appointments by Gov. Schwarzenegger were two advisors to the California Integrated Waste Management board: **Scott Harvey** ($98,800), executive director of the California Association of Local Agency Formation Commissions, and **Ruthann Schulte** ($77,600), environmental stewardship director for Pacific Lumber Company. ... **Ryan Alsop**, former govt. affairs and public affairs manager for the Long Beach Water Dept., was named director of external relations, Office of the Governor ($90,000). ... **Todd Slosek**, chief of staff and political director to Assemblyman Guy Houston (R-Livermore), was named communications director, Public Utilities Commission ($92,300). ... **Joseph Desmond**, president of Infotility Inc., an energy consulting and software development firm, was named deputy secretary of energy, state Resources Agency ($123,200). ... **Lucetta Dunn**, executive vice president, Hearthside Homes, becomes director of the Dept. of Housing and Community Development ($123,200). ... **Michael Hersek**, formerly central staff attorney for the California Supreme Court, was appointed State Public Defender ($123,200). Serving as his Assistant State Public Defender ($118,200) is **Donald Ayoob**, who was chief attorney for the San Francisco office of the state public defender. ... The new deputy secretary/general counsel ($118,200) of the state Business Transportation and Housing Agency is **Edward Heidig**, former director, Office of Administrative Law. Reappointed to the agency as special counsel is **Augustin Jiminez** ($111,700). ... The state Board of Corrections has two new appointees, who serve unpaid: **Michael Prizmich**, Amador County sheriff-coroner, and **Calvin Remington**, Ventura County's chief probation officer and president of Chief Probation Officers of California. ... **Jaime Fall**, former U.S. Dept. of Labor communications director, was named business relations liaison director for the state's Employment Development Dept. ... **James Aynes**, a private attorney in Irvine, was named counsel to the state Dept. of Food and Agriculture ($1001,500). The dept. also has a new assistant secretary for legislation ($88,200), **Gregson Porteous**, who previously was a principal fiscal consultant to the Assembly's budget and appropriations committees. ... **Eric Csizmar**, a former Assembly budget and appropriations committees consultant, was appointed the assistant legislation director, Dept. of Youth Authority ($70,600). ... **Ernest Van Sant** becomes Chief Deputy Director of Support Services ($89,200) for the Dept. of Corrections, where he previously served as deputy director of facilities management.

Legislature

Sen. Gill Cedillo (D-Los Angeles) hired a new communications director, **Edward Headington**, former staffer with the Mexican American Political Association. ... Assemblyman Joe Nation (D-San Rafael) has a new chief of staff, **Jim DeBoo**, former special advisor to state Supt. of Public Instruction Jack O'Connell. DeBoo replaces **Linda Barr**, who became legislative director for Assemblywoman Christine Kehoe (D-San Diego.) ... Assembly Republicans hired **Sabrina Demayo**, a reporter with Capitol Television News Service, as head of TV broadcast services, producing public service announcement and cable access shows.

Career Switch:

Crusader Jim

After nearly eight years as executive director of Common Cause, where he battled against special interest influence on elections, Jim Knox has taken up a new crusade: battling cancer. In his new role as vice president of legislative advocacy for the American Cancer Society, Knox will be involved with all aspects of cancer lobbying: early detection programs, tobacco controls, research monies. Prior to his years with Common Cause, Knox lobbied for environmental causes at the Planning and Conservation League. He calls his latest career move "a natural progression from one uphill battle (the environment) to an even bigger uphill battle (campaign reform) to the ultimate battle: cancer." At least he'll have one familiar special interest adversary: the tobacco industry.

Jim Knox

Other

State Controller Steve Westly has hired longtime Capitol staffer **Linda Adams** as his chief of staff. Adams was former Gov. Gray Davis' legislative secretary and briefly served as state water resources director during the transition between governors Davis and Schwarzenegger. Also on board Westly's staff is **Paul Hefner**, who was press secretary/consultant to the Assembly's Democratic leadership for six years and was former bureau chief for the *Los Angeles Daily News*. ... Contra Costa County Fire Captain **Lou Paulson,** who also heads the local firefighters' union, was recently elected president of the California Professional Firefighters (CPF), which represents 30,000 local, state and federal firefighters. The CPR also named **Dallas Jones**, formerly the state's Office of Emergency Services Director under Gov. Davis, as secretary-treasurer, the post he held prior to serving in state government. ... Green Party campaign consultant **Ross Mirkarimi**, who worked on Ralph Nader's last presidential bid and Peter Camejo's gubernatorial campaign during last year's recall election, was recently named one of the nation's 15 "rising stars" by *Campaigns & Elections Magazine*. ... **Jot Condie**, former vice president of governmental affairs, California Restaurant Association, has stepped up to become president and CEO, replacing **John D. Dunlap III**, who left to pursue a consulting business. ... After seven years at Public Strategies, Inc., **Michael Heenan**, a onetime public information officer for the Sacramento Police Department, has opened his own firm, Heenan Communications, specializing in public affairs and media relations. ... Also opening his own shop is lobbyist **Mark Timmerman**, who spent a year with lobbying firm Platinum Advisors after serving as state govt. affairs director for PG&E. He will represent energy and business clients as president of Timmerman & Company. ... Former Capitol staffer **Michael Paiva** has been hired as senior legislative advocate for the Personal Insurance Federation of California. Paiva was a consultant to the Senate Insurance Committee and former legislative asst. to then-Assm. Fred Keeley.

Lou Paulson

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*These pages are prepared with substantial help from **"The Capitol Morning Report,"** a comprehensive daily e-mail and fax listing of events, appointments, staff changes, lobbyist registrations and fund raisers in and around Sacramento. For more information, call (916) 443-5883.*

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Turning Up the Heat on

In the wake of the state's devastating energy debacle, one thing's clear: Deregulation was a bust. But now what? With summer heating up and the possibility of energy blackouts all too real, the state needs an energy policy it can count on.

By J.A. Savage

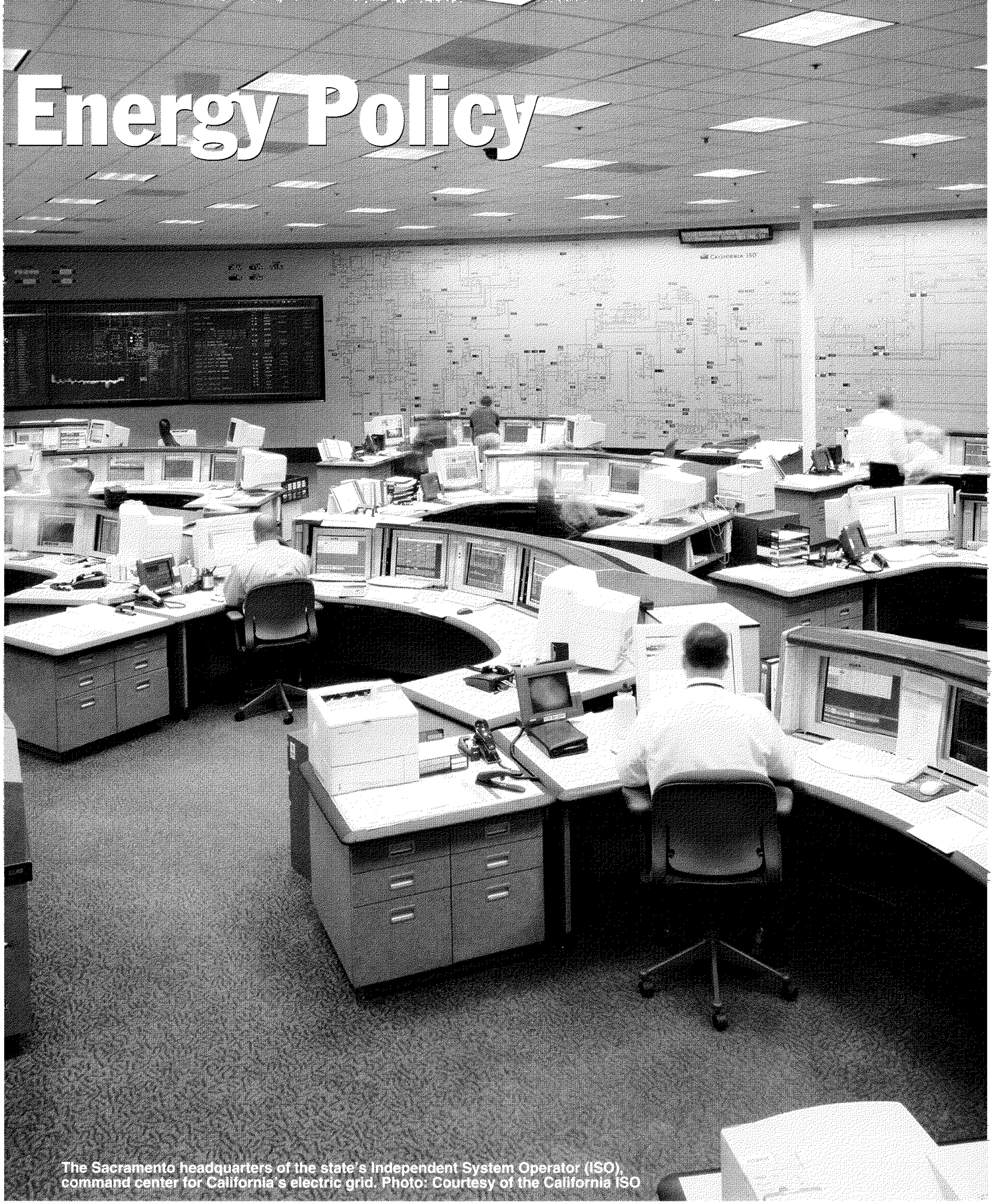
Jim Detmers breaks into a sweat in the air-conditioned control room. The vice president of the California Independent System Operator (ISO) is watching the morning weather report. For the fourth day in a row, it's over 100 degrees in the Central Valley.

At 8 a.m., every operable power plant is standing by on "spinning reserve" to feed power into the state's grid of transmission lines, if necessary. By 4 p.m., Detmers' staff makes a call, allowing hydroelectric power from out of state to flow into the state's massive network of transmission lines. By tapping all the reserves it can muster, the state narrowly avoids another blackout.

This summer, that scenario could be all too common.

Since January, demand for electricity statewide is up 3.5 percent from last year, according to the California Energy Commission. The ISO, which manages the flow of electricity on California's 25,000-mile transmission system, expects the peak demand on the grid this summer to be more than the highest consumption during the 2000-01 energy crisis.

Energy Policy



The Sacramento headquarters of the state's Independent System Operator (ISO), command center for California's electric grid. Photo: Courtesy of the California ISO

"If we leave it up to the transmission planners, we're going

"It's a rosary bead summer." That's how Pat Wood, the Federal Energy Regulatory Commission's chair, termed this summer's prospects for potential rolling blackouts in California. Given the lack of new power supplies, increased demand for energy, decreased conservation efforts and a dearth of new transmission line construction, California's energy salvation could require some prayer.

Back in May, the ISO was already warning that California's sources of hydroelectricity may run low due to unusually dry conditions and a lower-than-usual snow pack. It urged all California consumers to practice conservation in order to "keep the power flowing" this summer.

Detmers, a veteran of the energy crisis, knows that despite the specter of rolling blackouts this summer, it will be two more years before any major new power plants will be up and running. Even then, the two new natural gas plants and six others in the pipeline are hardly reassuring when it comes to meeting the increasing energy demand projected for California's hot summer days.

"Sixty thousand megawatts of new electric supplies will be needed to power California's economy in 2030," according to a report commissioned by the California Energy Commission. That's about 100 new power plants.

"That report scared the be-jeebers out of me," said Rich Ferguson, research director for the Center for Energy Efficiency & Renewable Technologies. "If we leave it up to the transmission planners, we're going to end up with a black future of coal-fired electricity."

A 'haphazard' future

Devising a comprehensive plan for the state's energy future was put on hold eight years ago in favor of "let the market decide." The market decided — it went on an all-expense-paid-by-the-state spree during the energy crisis.

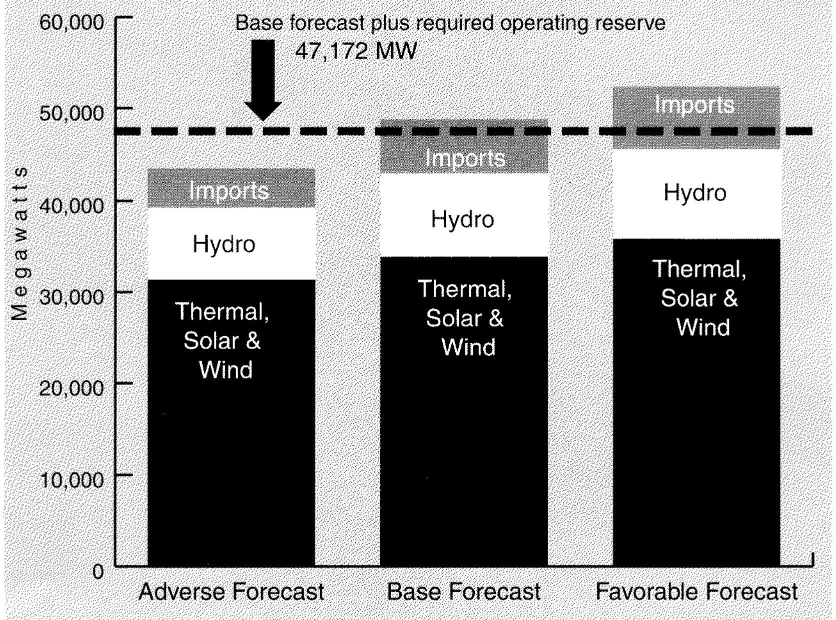
The hold button on the state's long-term energy plan is still flashing. Without any long-term policies in place, California is likely to be mired in an energy future that uses increasing amounts of coal-produced electricity, liquefied natural gas imports from countries like Bolivia to fuel existing natural gas-fired plants, and reliance on aging nuclear plants. Renewable energy sources — wind, solar and hydroelectricity — will play a minor role under current state law, which mandates that renewables comprise 20 percent of the state's energy mix by 2017.

That haphazard future — one that holds out the possibility of more pollution, greater dependency on foreign fossil supplies, and increased risk of accidents (including the "kaboom!" factor for proposed LNG terminals along the coast and radiation leaks at some of California's 30-year-old nuclear power plants) — could be avoided with pioneering policy and investments in conservation and renewable energy sources, according to Ferguson and others looking at state energy policy. In the end, both futures will probably cost about the same — although no one has attempted credible estimates of the costs.

On the state's current path, which relies primarily on fossil fuels, the long-term pollution and health costs mount stealthily, like the balloon on a credit card bill that's never paid off. With the alternative — an emphasis on heavy investment in conservation and renewable energy sources — the biggest costs are upfront, while presumably avoiding the long-term price tag of environmental damage and health risks.

Summer 2004 Energy Outlook

With California's appetite for electricity this summer expected to be 3.5 percent above last year, the state has outlined its best- and worst-case scenarios for generating adequate supplies of electricity. Much depends on how long the summer's heat wave lasts, how much hydroelectricity remains available and whether power plants/transmission lines stay fully online.



Source: California Independent System Operator

to end up with a black future of coal-fired electricity."
— Rich Ferguson, Center for Energy Efficiency & Renewable Technologies

Stuck in the pipeline

Former Governor Gray Davis made headlines when he accelerated the state's power plant approval process during the 2000-2001 energy crisis. An unprecedented 8,300 megawatts worth of new power plants were built in the last three years. These are the power plants that energy deregulation envisioned — private developers risking their own capital rather than having utilities risk ratepayers' money to build power plants.

In 2004, it doesn't matter much that California has made it easier to approve plants because risk-averse bankers aren't financing new power plant construction. The money that flowed into power plants when the onset of deregulation promised profitability, vanished in the last two years as power plant owners were either forced into contracts with the state Department of Water Resources or the more volatile spot market. In the last two years, 6,500 megawatts worth of power plants that were approved by the California Energy Commission are on hold because the private financing need to build them isn't available.

"In the next 10 years, we won't get lenders to loan until the market risk is taken away," said Jeff Bodington of Bodington & Co., an energy development consulting firm.

Bankers aren't the only ones who want to avoid risks. Decades before deregulation, state regulators constantly questioned utilities over the prudence of spending ratepayer funds to build new power plants. Regulators saw enormous escalation in utilities' costs for new power plants. That, in part, led to the belief that private developers could do the job at more competitive prices, which ultimately helped motivate the Legislature to approve energy deregulation.

Although private power plant owners have been accused of being greedy, regulated utilities have their own similar history — making it politically dicey to choose one over the other or craft a more complicated mix.

For instance, when expensive nuclear plants were first introduced, utilities discovered that they could get them approved under rules known as "cost-of-service" ratemaking (a guaranteed rate of return, or interest, paid for by ratepayers.) Simply put, the bigger the investment, the bigger the payback to shareholders over time. Instead of spending tens of millions in the 1950s and '60s, utilities discovered they could invests hundreds of millions of dollars, and eventually billions, and get the same rate of return: 10 percent interest on $1 billion beats 10 percent interest on $10 million.

Utilities are eager to build new power plants. Already this year, Southern California Edison received approval for the large Mountainview gas-fired power plant in San Bernardino County through an arrangement between an Edison affiliate that will own the plant, in turn contracting its output to the utility. San Diego Gas & Electric wants to buy the Palomar plant in Escondido for its unregulated sister company and own it directly, with the repayment funds flowing from ratepayers. PG&E has not made details public, but revealed that it, too, is anxious to return to the power plant building business.

Waiting for the governor

Meanwhile, Governor Arnold Schwarzenegger made halfhearted steps into the energy policy arena this spring. He expressed interest in establishing a 15 percent energy reserve — thus giving a cushion of extra power when demand is high and supplies low. He also indicated an interest in renewable energy sources, seeking an accelerated goal of 20 percent of electricity generated by renewables by 2010. And he wants to create a market for private investors to develop new energy-producing facilities.

In a recent interview with the *California Journal*,

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> **The potential for summer blackouts remains. And with no clear direction yet from the Legislature and the governor, the state's energy picture is as cloudy as ever.**

Schwarzenegger expressed concern over the threat of another energy crisis in California and said one of his next priorities is energy policy. But so far, there's been little seen or heard of the details.

Joseph Desmond, Schwarzenegger's appointee as deputy energy secretary at the state Resources Agency, promises more energy leadership. The former chief executive officer of Infotility, Inc. says the first priority is to provide power plant reserves.

"We need to be careful to avoid one extreme or the other — the wholesale spot market or long-term contracts" for reserve power, Desmond said. Only after the reserve problem is resolved, said Desmond, can the state turn to one of the governor's campaign planks — "direct access" for large consumers, enabling them to choose their own power providers.

Direct access was a part of the original deregulation law but was cancelled after utilities sank into steep financial declines. Large consumers want direct access because they believe they can obtain better power prices than what's available from utilities.

Even if the CPUC was able to get more power plants built, that's only half the story. Transmission lines to carry electricity from where it's produced to where it's needed are a more politically sensitive, expensive and long-term problem than building new power plants.

Three years ago, a 500-kilovolt transmission line was proposed in the San Diego region to bring electricity from neighboring power plants in Mexico and Arizona, as well as wind power generated in the Tehachapis. But the project was denied state approval after enormous local homeowner opposition to the "ugly" towers needed to string wires across the landscape, along with disputes over placing the towers on nearby sovereign tribal land or getting a federal waiver to run the lines through a national wilderness.

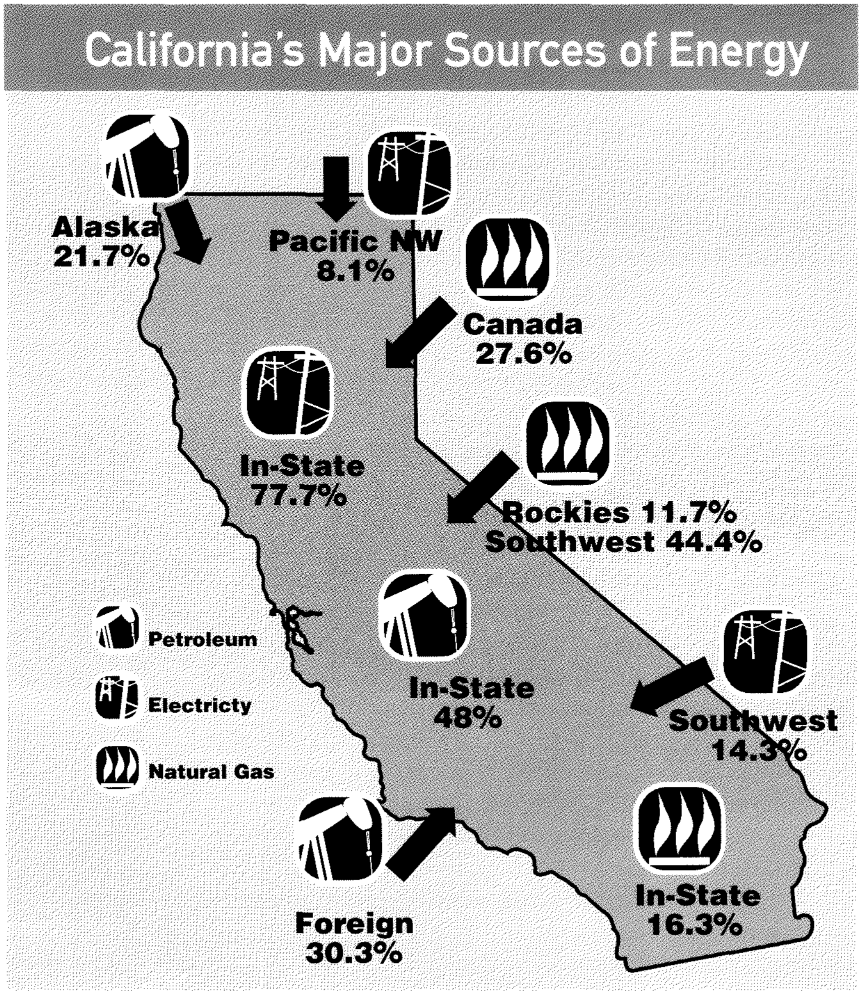
Meanwhile, the potential for summer blackouts remains. And with no clear direction yet from the Legislature and the governor, the state's energy picture is as cloudy as ever.

Desmond doesn't think the state itself has to invest in renewable energy, only facilitate its delivery. He emphasizes fuel diversity — including renewable sources, but does not rule out coal and LNG. "We have to take an integrated view."

Taking an integrated view, however, won't help prevent blackouts this summer and it won't prevent a future of continued dependence on fossil fuel, including coal, as well as nuclear power, to provide electricity. The state mandate for 20 percent renewable energy sources by 2017 is a start, but it's not enough to dramatically change the state's energy and environmental future.

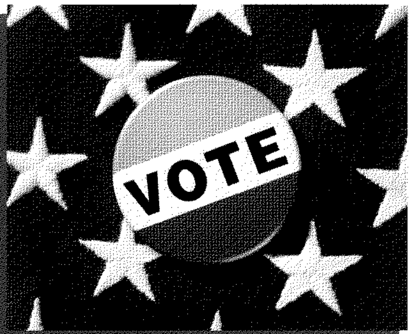
Getting through the summer without blackouts is likely to test political acumen. Obtaining not only a reliable energy future — but also a desirable one — will take more than acumen. It will take vision and risk.

J.A. Savage is co-author of three books and editor of California Energy Circuit, *an independent weekly publication providing news and analysis of energy issues. Comments may be sent to* **comments@californiajournal.org**


California's Major Sources of Energy

Source: California Energy Commission. 2002-2003

Landmark ballot looms



Gambling, workers' health care, crime and punishment, new taxes, bullet trains, open primary elections, stem cell research — you name it, and it's on the Nov. 2 ballot.

Even in a state accustomed to high-stakes ballots, the November lineup is remarkable. Like the election in 1978, when Proposition 13 was approved, and 1988, when landmark auto insurance and school funding measures were passed, the 2004 general election promises to be a lulu. Not to mention the presidential and U.S. Senate races.

Voters will decide 14 ballot propositions, although the Legislature could add more later and at least one may be removed. The measures, numbered in sequence to follow the last measure on the March ballot, will be Propositions 59 through 72.

Bullet Trains. Provides $9.95 billion in bond funds, mostly for the first leg of a $30 billion, 700-mile high-speed rail link between Los Angeles and San Francisco. However, lawmakers' concerns over cost and disputes over the exact route could push the measure back to the 2006 ballot.

Open Government. Currently, people who want access to government documents or closed-door meetings must demonstrate why they have a right to the information. This constitutional amendment would shift the burden onto the government to show why the access should be denied. State lawmakers are exempt.

Children's Hospitals. Provides $750 million in bond financing to build, remodel, expand and equip children's hospitals. Some $150 million would go to University of California hospitals. The remainder would go to hospitals that target children's leukemia, heart defects and other illnesses.

Open Primary. Allows California voters, regardless of party registration, to vote for any state or federal candidate in a primary election. The two top vote-getters, whether or not they are members of the same party, would appear on the general election ballot.

Mental Health. Expands mental health programs for children, adults and senior citizens, financed with an initial $250 million annually from a 1 percent increase on taxable incomes over $1 million.

Business Lawsuits. Limits a person's right to sue companies for unfair business practices under the "private enforcement" provisions of state law. Would allow only people who suffered directly to file such suits. Lawsuits filed on the public's behalf would have to originate with local officials or the state attorney general.

Local Government Funding. Requires voter approval for any further cuts in local government funding, including sales and property tax revenue, and vehicle license fees. Forces reimbursement to cities and counties within 180 days for money spent on state-ordered services.

Three Strikes Law. Changes the statute to require that all three convictions be for serious or violent felonies in order to qualify for the maximum sentence of 25 years to life. Allows resentencing of some defendants convicted under the original "three strikes" formula.

Emergency Medical Funding. Boosts funding for emergency medical care, personnel, training and equipment through a 3 percent surcharge on telephone services, plus money from a portion of tobacco taxes and court fines. Would bring in some $350 million annually.

Gambling, Cardrooms/Tracks. Requires Indian tribes with gambling interests to pay the state 25 percent of their slot-machine revenues and accept state court jurisdiction. If the tribes don't agree, race tracks and card rooms would have the authority to operate 30,000 slot machines statewide.

DNA Sampling. Authorizes law enforcement to collect DNA samples from all felons, including sex criminals, and requires police agencies to maintain a local DNA database and to perform analyses for the state's DNA database.

Gambling, Tribes. Gives Indian tribes an unlimited number of slot machines and casinos, and requires the tribes to contribute a percentage of their net income to the state fund. The contribution would be based on the prevailing corporate income tax rate, currently about 9 percent.

Stem Cell Research. Sets up a state institute to conduct stem cell research with up to $3 billion in bond financing. Prohibits the funding of human cloning research. Stem cells are basic cells that can be extracted from very young human embryos.

Health Care Referendum. Would overturn a law approved by the Legislature and signed by former Gov. Gray Davis that requires employers with 50 or more workers to pay for most of their employees' health coverage, thus extending health care to about a million uninsured workers.

southern exposure

Ethnic politics affect hospital's health

by Sherry Bebitch Jeffe

Martin Luther King Jr./Charles R. Drew Medical Center was envisioned as a world-class public health institution and a proud symbol of the strength and political importance of Los Angeles' African-American community. However, in the past few years, the county-run hospital has seen troubled times.

There have been charges of "gross negligence," staff firings and the threat of losing federal funding, downsizing and even closure. Over the last year alone, there have been five deaths blamed on hospital neglect. A recent federal report found extensive problems with drug administration, including dispensing the wrong medicines or the wrong dosage to patients. Cops, it's said, now call the hospital "Killer King." The hospital-affiliated Charles R. Drew University of Medicine and Science, one of four historically black medical schools in the U.S. that train about 70 percent of minority doctors, has lost its accreditation in some important specialties.

> "It's not a question of race; it's a question of competence."

How did things go so wrong?

Certainly the rising costs of health care, a widespread nursing shortage, and the budget crisis currently impacting local governments throughout California have played a role in King's deterioration. But to comprehend fully the troubles besetting King/Drew, one must view them in the context of the shifting racial and ethnic politics of the nation's most populous county.

First, a little history. Martin Luther King Jr. Hospital was conceived in the aftermath of the 1965 Watts riots, in which 34 residents of the then-primarily black community died and over 1,000 were injured. Gov. Edmund G. "Pat" Brown appointed the blue-ribbon McCone Commission to investigate the violence. The commission found that a lack of accessible medical facilities in the black community was a contributing factor and recommended construction of a comprehensive public hospital.

Ground was broken in 1968 and King's doors opened in 1972. It became a source of pride to L.A.'s black community as an institution run primarily by blacks, where African-American doctors and nurses could train, work and serve the health needs of the area's predominantly black population.

Because of the hospital's status, the predominantly white, board of supervisors was loath to interfere with or criticize King/Drew's operation. Politicians feared alienating a powerful Democratic constituency and/or charges of racism.

As L.A. civil rights attorney Connie Rice explained to the *New York Times*, "The hospital is run like a tribal fiefdom...You can't ask questions because it's a black institution. If you ask questions, they scream racism. But it's not a question of race; it's a question of competence."

The question of competence was side-stepped by county politicians in the 1990s, when a Democratic White House could run interference for the county's federal funding and until shifting demographics reconfigured the area's balance of political power.

Today, Watts is no longer overwhelmingly black; it is now roughly 60 percent Latino. This shift mirrors the dramatic demographic changes that have occurred city-, county-, and statewide since King opened.

A recent study by the Brookings Institution indicated more blacks are leaving California than are moving in. This pattern of black migration is echoed in U.S. Census figures that show, from 1990 to 2000, the black population in L.A. County declined for the first time.

Reflecting these demographic changes, today about three-fourths of King's patients are Latinos. However, African-Americans still comprise a majority of the hospital staff and nearly all of the administrators. "At King," argued Rees Lloyd, an attorney for a doctor alleging he wasn't promoted because he's not black, "you now have a black island in a brown sea."

However, the new demographic and political arithmetic has begun to take hold. One of L.A. county's black political leaders, Supervisor Yvonne Brathwaite Burke insists "... we have to move beyond ethnicity and we have to address the problems at Martin Luther King in terms of attracting the best possible administrator, the best possible staff, the best possible doctors."

Only dramatic change can rescue King. The hospital must adapt its medical — and political — culture to respond more effectively to the complex requirements of a 21st century, multi-ethnic community.

Sherry Bebitch Jeffe is a senior scholar at USC's School of Policy, Planning and Development. Send comments to **comments@californiajournal.org**

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Now, in the wake of a 10-year bitter political battle, Orange County hopes to fashion a "world-class" park of its own. To giddy city officials, the former El Toro Marine base could become Orange County's crown jewel. Critics call it just one more Southern California fantasy.

By Theo Douglas

The Orange County that's been beamed into many American households for the past year is largely a myth, the tony fantasy world of Fox TV's hit nighttime soap "The O.C." It's a land of plush, Mediterranean-style homes along the coast, where wealthy, troubled sybarites indulge in such tangible sweetness as the Balboa Bar, an ice cream treat frozen right on Balboa Island.

But many residents — and the real power brokers in Orange County — are hoping that America and the world will soon have a real reason to watch this region. In Irvine, officials are in the talking stages of planning the Orange County Great Park on the site of the former El Toro Marine Corps Air Station, which was first targeted for closure in 1993 when the U.S. was shedding military bases right and left.

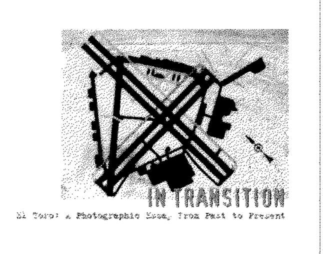
Orange County officials say this will be a world-class park, something to rival New York's Central Park, San Diego's Balboa Park or San Francisco's Golden Gate Park — one that will become a destination for golfers, hikers, sports fans, theater/museum goers and wildlife watchers. It also has the potential to immortalize those who created it.

"We really see this as being a heart of the county," Irvine City Councilwoman Beth Krom told a roomful of area residents in May, at the first city-sponsored symposium on the Great Park's concept. "This will be the first such project within Orange County, created specifically to benefit the people of Orange County."

It's a lofty vision, one which is now being made real only after one of the most bitter political battles in the county's recent history. But the men and women of the Orange County Great Park Corporation Board, officials from cities throughout the county who are charged with planning the park, have good reason to aim high.

Last year, when voters overwhelmingly passed ballot initiative Measure W — the final of four El Toro referendums — they answered for the last time the question that has plagued Orange County for a decade: Will El Toro become a commercial airport?

The answer was "No"—that the base, first earmarked for closure in 1993 and shuttered for good in 1999, should instead become a public park. And not just any park. With nearly 4,300 acres and seven square miles, the vacant Marine base is one of the largest undeveloped plots of land left in Orange County.



The photos in this article are reprinted from "In Transition," a history of the former U.S. military base now slated to become Orange County Great Park. "In Transition" is published by the Great Park Conservancy.
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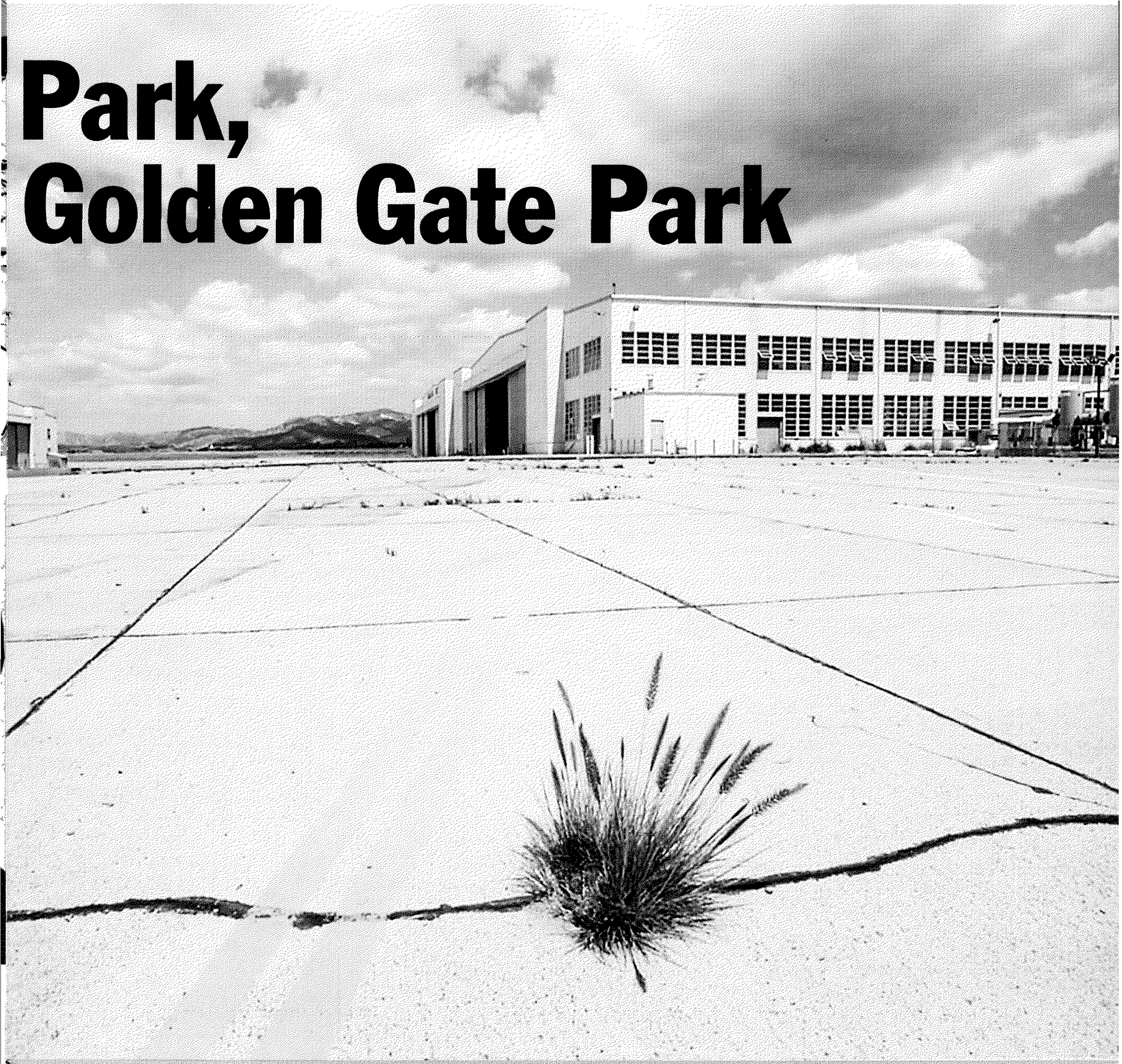

Originally a fertile valley of lima bean fields, El Toro began construction in August 1942, less than a year after the Japanese attack on Pearl Harbor. Today, its empty runways sprout only weeds. Photo: Nature Prevails by Mark Chamberlain

A turning point

Measure W's passage was a heady moment, particularly since keeping El Toro as an airfield was once a foregone conclusion: voters passed the first ballot initiative, Measure A in 1994, to study the idea; county supervisors formally endorsed the airport plan in 1996; and political players such as Orange County businessman George Argyros spent nearly $1 million in an attempt to defeat an anti-airport initiative four years ago.

Nevertheless, grass-roots dissension to the airport idea grew quickly, particularly in south Orange County, where residents would have been in the flight path of more than 800 jets per day.

But organized opposition took years to flourish, de-

The control tower at the former U.S. Marine Corps Air Station, strategically located only a few miles form California's coast. Photo: Control Tower by Nazgol Zandyazdani

spite Measure A's lackluster passage with just 51 percent of the vote six years ago. A second ballot initiative in 1996, Measure S, failed to repeal Measure A, and a third, Measure F, which required a two-thirds vote of the electorate on major county projects, was ruled "unconstitutionally vague" and illegal in 2000 for bypassing the authority of county supervisors.

Ultimately, anti-airport supporters were bolstered by a six-city consortium known as the El Toro Reuse Planning Authority, as well as the citizen-based Project 99, headed by longtime Irvine politician Larry Agran, a Democrat whose return to the city council in 1998 was founded on his strong opposition to the airport. They overpowered foes like the Airport Working Group, whose attorney Barbara Lichman remains convinced the Great Park is a mirage. In her view, the park that residents will ultimately get is not the park they're being promised today.

Last year, tireless campaigning and considerable mudslinging preceded the vote on Measure W, which rezoned most of the base for parks and open space. Legal challenges ensued but the final roadblocks in the park's path were cleared last month when two lawsuits by airport supporters against the City of Irvine and the Local Agency Formation Commission (LAFCO) were settled. According to terms of the settlements, the City of Irvine will conduct an independent study of the base's environmental cleanup to ensure it is adequate.

Orange County now faces the question of what kind of park it will build to replace the military's leftovers: rusty metal hangars, aging troop barracks and enough concrete runways to depress the aggregate market in the entire western United States, if all that concrete were sold at once.

"If there is such a thing as a run-of-the-mill public works project, this isn't it," said Irvine Councilman Chris Mears, chairman of the Great Park Corporation Board. "We understand we have a very important responsibility to deliver a park that will not only satisfy all the residents of Orange County, but will rank up there as one of the world's great parks. No one is undaunted by the challenge."

Public officials already are facing up to their task. The Great Park Corporation Board began meeting in December to begin designing the park. Groundbreaking on some parcels could be less than a year away, Agran said.

Shaping a park

The mechanism by which this will happen sounds relatively simple — but, of course, it is not. Each step depends upon the last, and unforeseen difficulties have already forced delays. Irvine has annexed most of the base as city property, making Irvine the largest municipality in the county, although most of the park acreage is still owned by the U.S. Navy. Meanwhile, setbacks in cleaning up years of pollution at the base mean nearly 1,000 acres are still too contaminated to be sold. Faced with the massive cleanup and mountains of paperwork, the Navy has pushed the land's sale from summer to fall 2004.

A U.S. Navy spokesperson said in May that the contaminated land will be cleaned up in time to be sold with the rest of the base acreage. The Navy has divided the base into four parcels and plans to auction them online to developers in four separate auctions, starting in September 2004 and culminating in late 2005.

As a condition of that sale, Mayor Agran told a packed council chambers in his January State of the City address that developers will be required to donate "vast tracts of land" back to the city for various park development projects. The actual number of acres is still being worked out and is expected to appear in the business plan the park's board is currently developing. With that acreage in hand, along with $200 million in developer fees and more than $150 in assessment district financing, park board officials say they should be well-equipped to create the sports park, golf course, museums and wildlife sanctuary they envision. As additional insurance, Agran said the city also will secure agreements with developers that their projects will be compatible with the city's plans.

A major question is how the park will pay for itself once it's finished. The board's plan is to have the portions that are developed by private developers — including such proposals as automobile dealerships, clean industries like research and development labs and an extension campus for California State University, Fullerton — generate the tax base to pay for the park's upkeep.

Exactly what kind of park these developments will pay for remains to be seen. Some basic concepts — a memorial cemetery, a golf course, museums, wilderness areas — have been determined but must be further refined in talks between city officials and area residents that have only just begun.

Is it a mirage?

Despite increased public awareness, park officials believe there's still skepticism among residents, particularly in southern Orange County, whom officials say will only start believing in the park when they see "For Sale" signs go up at El Toro.

Then there are people like attorney Lichman and others who wanted a commercial airport to go into El Toro. They're seen as the losers in this contest — although Lichman predicts that, ultimately, Orange County residents will suffer the consequences.

"The demand for John Wayne [airport] is going to increase dramatically," Lichman predicted. "And Irvine and the south county folks will be the most inconvenienced."

Critics like Lichman also point out that as park offi-

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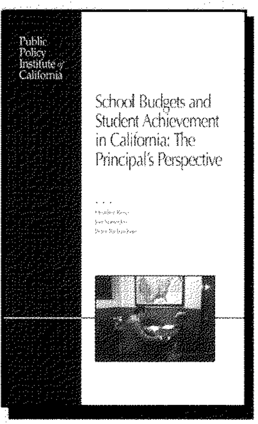
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After 57 years as a naval base, El Toro closed for good in 1999.
Above photo: East Entrance by Allison Hunter
Left: Stop by Manuel Gurrola

cials have added developments like a golf course and cemetery — which, while green, aren't technically parkland — the size of the actual park has shrunk.

Environmental watchdog Bob Caustin, of Newport Beach's Defend the Bay, has termed it "the incredible shrinking park," which are fighting words to folks at Irvine City Hall.

Nevertheless, interest in transforming El Toro is warming up. At park board meetings this spring, directors heard residents suggest building a firefighters' museum on the site and bringing in a road race similar to the Long Beach Grand Prix.

One man, a truck driver from Riverside, wrote a letter suggesting a NFL-quality stadium he called the Freedom Bowl. "I think the former El Toro Marine Corps Air Station is a very significant piece of property, and I'm looking at it from a national perspective," he wrote.

That's the same challenge facing Orange County officials: taking one of the most significant land acquisitions in county history and turning it into a "world-class" park.

Theo Douglas, former reporter with the Long Beach Press-Telegram, *is a writer/editor at* OC Weekly, *specializing in design and architecture. Send comments to* **comments@californiajournal.org**

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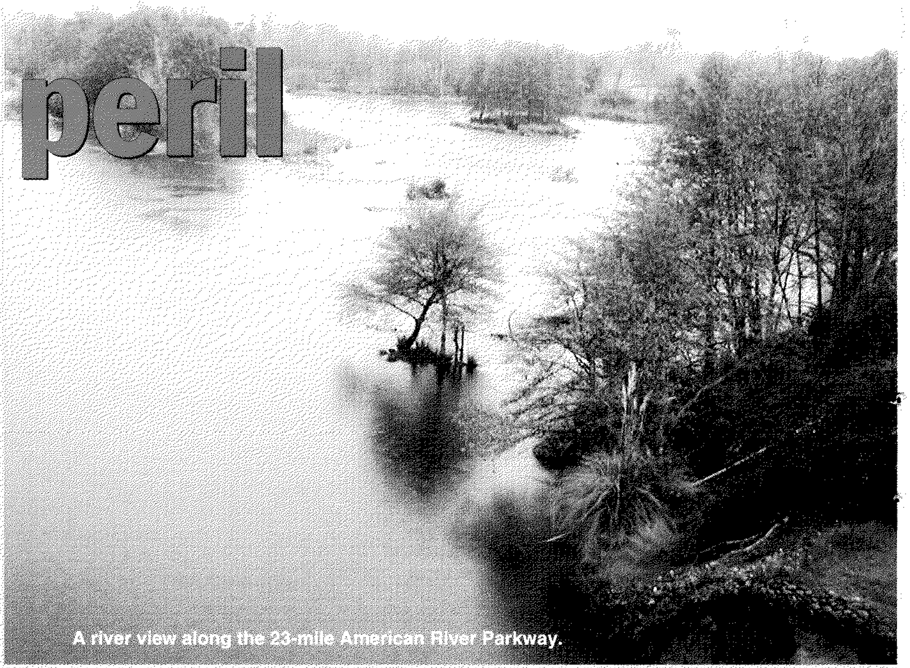
A park in peril

Rather than lurch from one budget crisis to another, the popular American River Parkway in Sacramento County is seeking safer ground. Its struggles to find secure financial footing could become the norm for park districts statewide.

By Stephanie Chandler



A river view along the 23-mile American River Parkway.

The popular American River Parkway is a scenic postcard, with 23 miles of outdoor trails that meander along the American River just minutes from downtown Sacramento. For locals, it's an escape from the hurly-burly of city life. But it's also a nationally ranked destination for hiking, biking, horseback riding and whitewater rafting, one that draws five million visitors annually.

But despite its widespread appeal, it's been on shaky ground financially. Like other cash-strapped parks districts statewide, the 5,000-acre American River Parkway has endured several years of budget-scrimping. This year, it got even worse.

Faced with shrinking revenues and decreased state reimbursements, Sacramento County this spring proposed a $3.3 million reduction in its overall parks budget for 2004-05, a 75 percent reduction over the current budget. A large chunk of that hit would come out of the American River Parkway's funding.

It's a situation that's been repeated up and down the state.

Sacramento County Parks Director Ron Suter called the situation "worse than grim," noting that the parkway would lose most of its patrol services, its restroom maintenance and trash pick-up would be limited and the parkway's entry gates would be left unattended 24 hours a day, leaving the area vulnerable to illegal camping and vandalism. In response, hundreds of citizens attended public hearings to voice their concerns. Neighboring residents feared the parkway would suffer an accompanying increase in crime and fire danger.

The Save the American River Association (SARA) reported receiving letters of support from parkway fans all over the state, even as far away as Oregon.

Eventually, drastic cuts in the parkway's maintenance and patrol services were averted after the county picked up some unexpected funding, thanks to a $3 million sale of excess lands to the county's regional sanitation district.

But depending on the final state budget hammered out by legislators and the governor, the county could be forced to make an estimated additional $10 million in overall budget cuts in September.

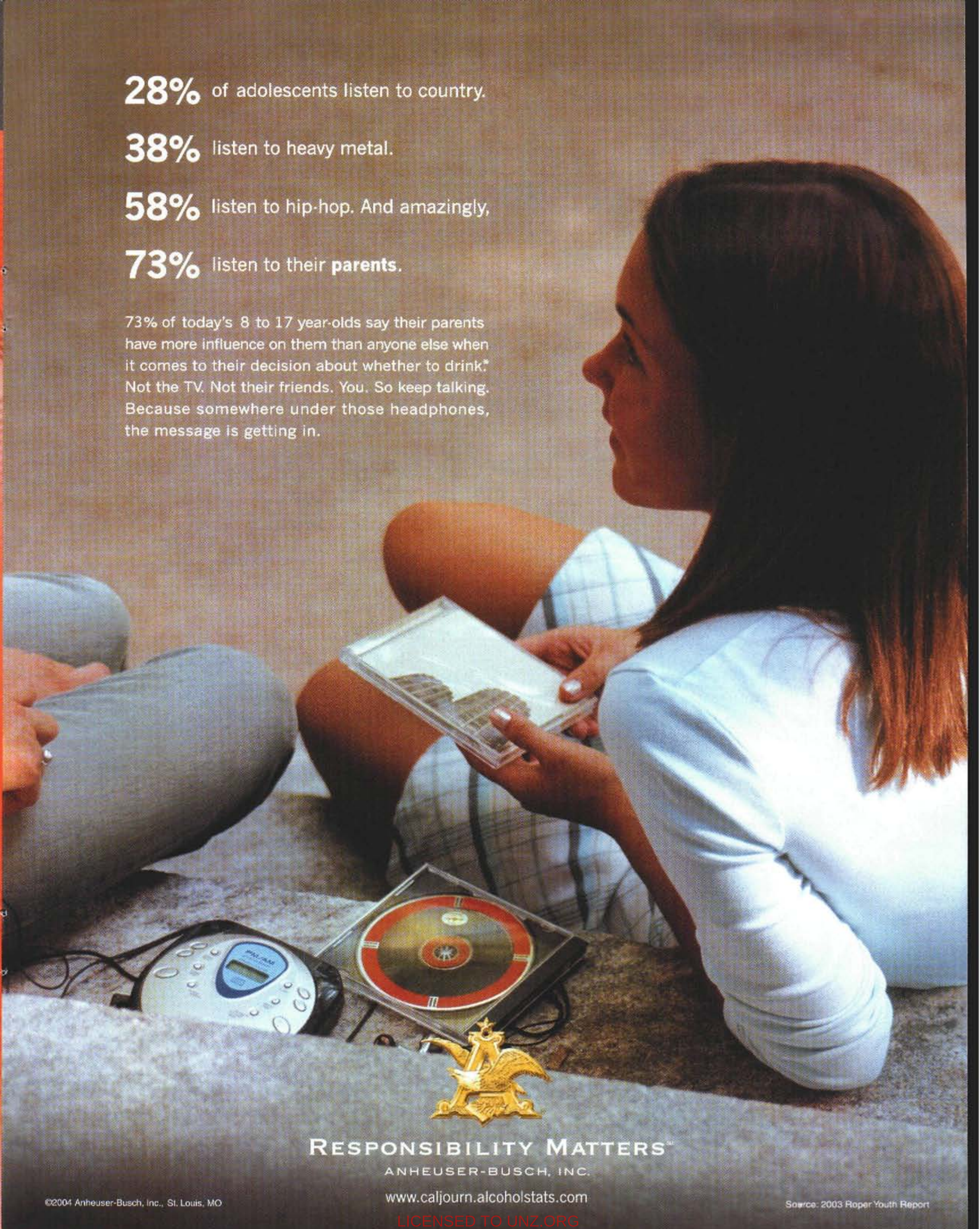
Eager to avoid the continued uncertainties, a number of local organizations have banded together to devise some long-term funding solutions. The American River Parkway Funding Group (ARPFG) is chaired by Jane Hagedorn, who is CEO of the local American Lung Association.

"The fiscal reality today in a growing California is that magnificent parks — like our American River Parkway that are owned and managed by county government do not have dedicated funding for operations and maintenance," she said. "These valuable assets are usually the last to be funded."

To Hagedorn and other local officials, there's a need statewide to establish permanent funding so that assets like parks are not left lurching from one budget crisis to another. Her group, along with representatives from the county parks department and the office of Congressman Robert Matsui (D-Sacramento), have already begun discussing strategies. Among the possibilities: a countywide benefit assessment district that would assess owners of homes, apartments and businesses; regional funding involving local governments, chambers of commerce, community and environmental groups; and creation of an endowment fund.

"It's critical for our children and grandchildren that we step up right now," said Hagedorn, "to adequately fund open space, particularly for those significant regional parks that have many users, not only here in Sacramento but from around the state."

Stephanie Chandler is a freelance writer from Sacramento and owner of a local bookstore. Comments may be sent to **comments@californiajournal.org**



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